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- Group Creative Thinking
- Employees' Moving Expenses
- First-Half Wage Adjustments
- Standards for One-Nurse Units

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CONTENTS

SPECIAL ARTICLES

Group Creative Thinking 234
Employees' Extra Moving Expenses 238
Work Standards and Labor Costs 240
Wage Adjustments in 1956 Continue Upward Trend 243
Standards for One-Nurse Medical Units 246

REGULAR FEATURES

Labor Press Highlights 249
Food Prices Rally 251
Significant Labor Statistics 255
Wage Adjustments Announced 257
Briefs on Personnel Practices 237
Management Bookshelf 245, 250

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• In the Record •

Group Creative Thinking

How to tap one's creative capacity has long been a problem that artists and scientists have tried to solve. But the organized quest for creative thinking in industry is of more recent origin. Here, as in the other fields, invention until recently was considered the province of the gifted individual, endowed by birth and felicitous circumstances with creative talent. In other words, you either had it or you didn't.

Now, however, a new approach to creativity is emerging. The basic premise seems to be that in a group situation, under the right circumstances, most people will display creativity even though previously they may not have known they had this ability.

Over forty companies are now utilizing some form of group creative thinking. And while many others reject this approach as a waste of time, those using the programs look for positive results over the long run if not immediately.

How group creative thinking works, what makes a group session successful, and the three basic types of creative thinking sessions now in use in industry are all explored in the article starting on the next page.

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Employees' Extra Moving Expenses

Recently, several nationwide companies made the news with announcements of major transfers of their operations. Such moves often involve the relocation of hundreds of workers. Or, in other circumstances, an individual employee may be transferred to another section of the country.

In either case, the employee is faced with financial problems involved in moving. Companies very commonly pay for transportation and for moving household goods when the transfer is at management's request. But a growing number of concerns believe that such an allowance does not adequately cover the full costs. There are added incidental expenses that may add up to a considerable sum.

In order to find out to what extent companies reimburse their employees for all types of moving expenses, The Conference Board recently conducted a survey. The article starting on page 238 describes companies' contributions toward the extra costs.

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Work Standards and Labor Costs

Lowering labor costs is a major concern of most companies. And many believe that the development of sound work standards is essential to achieving this reduction. But work standards are often regarded with suspicion and dislike by both the supervisor and the production worker. This, in turn, complicates setting the standards and administering the program.

William Aulepp, the manager of industrial engineering of the Ford Motor Company, in an article starting on page 240, looks into this problem. As part of the answer at least, he gives seven governing principles for a sound work standards program, which were developed through actual experience at Ford. Labor's cooperation can be enlisted in such a program, according to Mr. Aulepp, because the larger benefits that labor constantly presses for will be possible only if there are continuing decreases in unit labor costs.

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Standards for One-Nurse Medical Units

A large company that has a complete health service for its employees is often staffed with a doctor and two or more nurses. But, perhaps contrary to general belief, the great majority of concerns do not have large medical staffs. In fact, some estimates classify almost 75% of all industrial medical services as one-nurse units—few with full-time doctors.

How does a nurse working in a one-nurse department know the responsibilities and limitations of her position? How does she set up the department so that it can give the employees the best possible health service?

To help the nurse in this situation, the Industrial Nurses Section of the American Nurses' Association has adopted a set of functions and standards for the one-nurse medical unit. The article starting on page 246 summarizes these functions and standards.

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Wage Rates Continue Upward Drive

This issue of the *Management Record* reviews wage changes in the first six months of 1956. Settlements announced during this period have all been confirmed in writing by the companies. Results reveal an average upward adjustment of around 9 cents an hour. As a comparison, a survey of the first half of 1955 showed an average rise of somewhat over 5 cents an hour.

A separate tabulation of Canadian settlements is a new feature this year. The Canadian pattern appears to be similar to the one in this country, with the average adjustment close to 8 cents per hour. The special article, starting on page 243, analyzes the picture by industry. A chart and table furnish details at a glance.

Group Creative Thinking

The three basic types of group creative thinking sessions currently used by industry are examined and evaluated here

DEVELOPING a steady flow of new ideas is one of the most important tasks that a modern business enterprise faces.

There are several standard methods by which companies keep the pipeline of new ideas filled. Research and development programs, for instance, play an important role in the activities of many companies. Such companies as Alcoa, Bell Laboratories, Boeing and General Motors spend millions of dollars annually constructing, equipping, and staffing technical research centers.

Suggestion systems have been in effect for over twenty years and are today used by some 5,000 companies. Another well-tried method of encouraging employees to submit ideas is the cash award or bonus system. Finally, conference techniques, which more and more companies are using, have been successful in helping people pool their ideas and work out new solutions to problems.

However, many companies find that these conventional methods have too many limitations to successfully fill the need for new ideas. The value of a research and development program, for instance, is usually limited by the fact that it is restricted to technical people. As a result, only a fraction of the company's employees have an opportunity to participate.

In addition, formal research programs often stick to established patterns of thinking and do not encourage the "blue sky" type of thinking that may result in revolutionary new ideas.

Suggestion systems are often criticized as failing to produce ideas because the judging committees are more interested in deciding why an idea won't work than why it will. And conferences often break down when participants champion individual ideas which they favor for logical or emotional reasons. As a result, discussions tend to become mired in endless debate over the pros and cons of a single course of action. Often little effort is made to think creatively by seeking alternative courses of action or by restating and clarifying objectives.

Social blocks also impede the birth of new ideas in many companies. Restrictive management, for example, can stifle creative activity. By expecting obedience rather than the exercise of creative imagination, supervisors may dampen any challenging or questioning of established practices. As W. A. Schmall of General Electric's Housewares and Radio Receivers Division points out:

> "The common practice in many companies is to greet the new candidate by saying, 'We are happy to have you with us, son. We have been building mousetraps for forty years and we're the experts. Nobody knows better than we do how to build mousetraps. So keep your eyes and ears open, and your mouth shut, because not until you have been with us for five years will anything you have to say here have much meaning.' Of course they say it in nicer words, but that's what they mean."

Proprietary interest in ideas raises a barrier to creativity by hindering the exchange of problems and ideas. On the one hand, the operating manager may be reluctant to advertise his difficulties; on the other, the inventor may fear to breathe a word of his brainchild lest someone else appropriate it. As a result, the idea may fail of realization simply because of minor difficulties which an associate could help solve.

How can these limitations be overcome? Many companies find that in order to hurdle these barriers they need to develop ways of encouraging employees and managers to think creatively rather than in terms of stereotype and precedent. This has given rise to the growing popularity of formal programs of group creative thinking.

WHAT IS GROUP CREATIVE THINKING?

Basically, group creative thinking is a method of encouraging groups of people to develop imaginative solutions to problems, unhampered by the barriers of convention, stereotype and precedent. To achieve this objective, creative thinking sessions establish three ground rules.

- Instead of looking for one "right" answer, participants try to amass a multitude of possible answers.
- Ideas are not required to be logical.
- Problems are tackled *en masse*, that is, by groups of people rather than by one individual.

The idea behind these rules is that creativity cannot be fully realized if it depends entirely upon the logical, analytical process normally associated with thinking. This school of thought maintains that accepted methods of thinking have several limitations.

For one thing, logical thinking often leads to what one critic calls "the single-answer deadlock." By assuming that all problems have one right answer, standard methods of thinking tend to focus attention on only one of many possible solutions. As a result, conferees spend time debating whether the answer at hand is the right one instead of searching for other solutions.

Also, the argument goes, standard methods of thinking fail to harness the creative faculty of intuition. Several noted inventors have pointed out that intuition plays a major role in the birth of ideas. For instance, several hundred inventors were asked the following question: *Have you ever received assistance from scientific revelation or hunch in the solution of an important problem?* Forty-one per cent of them answered that most of their insights came from subconscious intuition.[1]

Finally, the traditional "lone wolf" method of attacking problems is too restricted, many inventors believe. Psychological tests indicate that an individual's mind is oriented to see only a few facets of a problem. Another person might see entirely different facets, but again his view is restricted. However, by working together, people can complement one another's creative powers. For this reason, it is argued, a group is able to produce good ideas more quickly and easily than an individual working alone.

TYPES OF CREATIVE THINKING SESSIONS

How is a group creative thinking session conducted? Not all sessions follow exactly the same pattern. In fact, there are three basic variations. These are:

- The free association approach
- The orderly or step-by-step approach
- The broad field approach

The Free Association Approach

The best known and most frequently used of all creative thinking techniques is the free association approach. Recently, it has been given new impetus under the name of "brainstorming" by Alex Osborn, a senior partner of the advertising firm of Batten, Barton, Durstine and Osborn. Brainstorming has won many adherents. Companies that use it include General Foods, the RCA Tube Division, U. S. Rubber and the Ethyl Corporation.

Essentially, the leader of a brainstorming session invites the people in his group to submit as many answers as they possibly can to a question he puts before them. Brainstorming has three distinguishing characteristics.

- It depends upon free association to produce ideas. One idea suggests a variation which in turn suggests a different idea, and so on.
- It concentrates on quantity rather than quality of answers.
- Evaluation of ideas is postponed until later, because pausing to evaluate sidetracks the session from its objective of piling up alternatives. When a group member introduces criticism, the leader rings a desk bell, shutting him off.

Companies that use brainstorming like it for several reasons. For one thing, the sessions are enjoyable to many people. The atmosphere is usually free and easy, and excitement runs high. Because censorship is banned, members tend to be less cautious in submitting ideas. As a result, wild ideas are often proposed.

Because quantity is stressed, a multiplicity of ideas are produced—often as many as a hundred in a short session. As a result, brainstorming offers a dramatic demonstration of the possibilities of creative thinking.

An engineering department head says that a brainstorming session which produced thirty-five ideas started him on a reappraisal of the research methods in his department. "It hadn't occurred to me," he explains, "that there are lots of avenues to the solution of a research problem, not just one."

The personnel manager of a large paint producer sums up brainstorming's persuasive power this way: "The brainstorming session is a shock treatment. Even if it didn't produce a single usable idea, it would pay its way in jolting us from our narrow methods of problem solving."

But in spite of these advantages, brainstorming often comes in for a good deal of criticism.

For one thing, many managers say that it tends to produce superficial ideas. Since evaluation is not attempted during the session, the majority of suggestions are something less than inspired. One participant calls them "downright foolish," adding that "some of the ideas are an insult to one's intelligence."

Another disadvantage of brainstorming is that even though the job of evaluation is postponed it must be done eventually if any ideas are to be preserved. But because brainstorming produces a large quantity of useless suggestions, the job of sorting can be tedious and discouraging. Therefore, evaluation is frequently put off indefinitely, and in many cases it is never done. In this event, participants soon realize that the sessions are not being taken seriously. And they cease to take them seriously themselves.

Finally, by ruling out all negatives, brainstorming tends to be haphazard and disorderly. Critics say that participants develop little understanding of the mental disciplines required for serious creative thinking.

The Orderly or Step-by-Step Approach

Does the intuitive nature of creative thinking cancel the possibility of an orderly step-by-step approach? Many companies believe not. For example, the General Electric Company, in its creative engineering course, lays heavy stress on a systematic, four-step procedure of definition, search, evaluation, and solution. The meanings of these terms are clear to members of the course. *Definition* refers to amassing all of the possible ways of stating the problem. *Search* is the amassing of possible solutions. *Evaluation* involves choosing the best approach. And *solution* is the process of engineering the plan down to a practical stage. In each session, participants are required to perform all four steps before coming up with recommendations. The GE creative engineering course differs from brainstorming in four ways.

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[1] "The Relation of Scientific Hunch to Research," *Journal of Chemical Education*, Vol. 8, No. 10, October, 1931.

It focuses on defining the problem. Instead of immediately searching for multiple *solutions,* it first searches for *definitions*. It asks "Is this really the problem? How many other ways can it be stated?"

It requires participants to carry projects through to completion. They are expected to refine their ideas in blueprints, reports, diagrams or scale models until the ideas will withstand criticism.

This approach stresses technical knowledge. For example, fifteen minutes of every class session of GE's course are devoted to explaining how machines work. The group investigates the working principle of such everyday items as fluorescent lamp starters, flush valves, gas ranges, and voltage regulators. In addition, the group studies fundamental theories of science to obtain a thorough grounding in the physical laws.

Finally, some evaluation takes place during the sessions. Members are allowed to question one another's premises and logic.

Many engineers express a strong preference for the GE approach to group creative thinking. Its emphasis on orderliness and technical knowledge offers important advantages. For instance, there is less confusion in approaching a problem, for its outlines are usually well defined.

By stressing specialized knowledge, the GE approach leads to a more thorough understanding of technical principles.

Solutions tend to be highly practical. Because participants carry solutions through to a finished stage, they are able to work out many bugs in their ideas. And the finished plan is generally workable.

Another advantage of carrying solutions to a completed stage is that participants learn how to impart their ideas effectively. By refining concepts into detailed diagrams and scale models, they learn the verbal and drafting skills that are so important for getting ideas accepted.

Finally, by thoroughly examining the definitions of problems, the participants are able to avoid superficial answers. One GE executive likes to illustrate the advantage of piling up many definitions with the following incident in a chemical factory. The company was faced with the problem of determining the weight of barrels of gunpowder before the freight charge could be established. The barrels were so heavy that three men were needed to lift them up onto the scales. The management people brainstormed numerous solutions—lower the scales, build a ramp, use pulleys. Finally, they decided to start at the beginning and define the problem. What, actually, was it? Was it really how to weigh the barrels? Wasn't it rather how to determine freight costs? From this restatement of the problem, the management was able to develop standard weights for filled barrels, and thus the weighing step was eliminated altogether.

Not all of the factors of the GE course, however, are on the plus side. GE engineers see several important disadvantages in its use. For one thing, it is a long and costly process. Two years are required before the full benefits of the sessions are realized.

Time also is required outside of the sessions. Participants frequently spend as much as twenty hours a week on homework, producing diagrams and scale models of their ideas.

Finally, a few critics feel that an orderly approach may hinder the formation of "inspired" or highly original thinking. By defining the limits of the problem at the outset, it may prevent participants from seeing unexpected possibilities. Far-fetched or radical solutions are overlooked, the argument goes, if the mind closes too logically on a problem.

The Broad Field Approach

How can radical solutions be encouraged? One way, according to inventor William J. Gordon, is through the use of a broad field approach.

Mr. Gordon is in charge of the design-invention group of Arthur D. Little, Inc.—a firm which, among other things, develops new products for industry. Once a week he gathers with a group of engineers to work out radically new solutions to client's problems. The solutions are reached in sessions conducted along unique, but apparently workable, lines. The Gordon technique has two distinguishing characteristics:

- The group attacks the underlying concept of the problem rather than the problem itself. For example, if a new principle for a can opener is wanted, the group leader introduces the general subject of *opening*. When the client desires a new workshop item, the subject of *hobbies* is raised. When a cutting device is wanted, the subject of *severing* is introduced.
- Underlying concepts are explored at length, and subjects are examined from many angles—social and economic as well as mechanical.

Out of these sessions have come a number of radically new ideas, including construction methods, cutting devices, pumps and other tools. Participants—most of them engineers—claim that concentrating on the underlying concept has two advantages.

It prevents early closure on the problem. That is, it keeps participants from thinking they have already seen the obvious answer.

It encourages radical applications of old techniques. For example, when one client wanted a new type of lawnmower and the subject of severing was discussed, participants went so far afield as to consider the principle of the acetylene torch. Had the specific objective of a lawnmower been considered, in all likelihood their minds would never have made such a leap, Mr. Gordon says.

Many companies, however, believe that the Gordon technique has several important limitations. For one thing, it is an extremely roundabout way of reaching solutions. Also, since subjects are explored at great length, the Gordon technique is apt to be more time consuming than the other group sessions. An average Gordon session frequently requires an entire morning and afternoon of discussion.

Finally, because concepts are explored broadly and abstractly, the sessions require participants to have broad knowledge and highly conceptual aptitudes. Many who have sat in on the sessions come away feeling that, because of the absence of concrete focal points, the discussions lack clarity. Some have trouble keeping up with the rapid flow of abstract ideas. And if a majority of the participants do not have general knowledge, the session may break down for lack of rapport.

LEADING THE GROUP SESSION

What makes a good creative thinking session? Session leaders generally say that it is difficult to give hard and fast answers to this question. Much depends upon the individuals who make up the group. Successful sessions are often indebted to one or two originators whose ideas break open new ground on which the rest can build. While acknowledging that the participants are the major factor in a successful session, most group leaders try to help the session along by following ten fundamental rules.

1. *Take time to define the problem.* Time spent at the outset amassing as many approaches to the problem as possible, they say, pays off in more worthwhile solutions.

2. *Avoid the single-answer deadlock.* Instead of looking for one or two answers to a problem, search for a multitude of answers. Some managers go further and recommend searching for as many definitions of the problem as possible. Frequently, they explain, a person assumes that he understands the problem when he has considered only one of many approaches to it.

3. *Phrase questions in terms of "how many."* By phrasing a problem this way, the group can enormously increase the number of possibilities open to it. "How many ways?" invites a multiplicity of answers. "What should be done?" invites only two or three.

4. *Use significant problems.* Most training directors find that the more important a problem, the higher is the group's interest level. Conversely, participants tend to lose interest if they are given "harmless" questions to deal with.

5. *Avoid technical terms.* Because technical terms raise word barriers between the problem and the participants' understanding of it, sessions are usually more successful when the language is stripped of technical jargon. This helps members to tackle problems which are conceptually easy but rendered difficult by obscure wording.

6. *Form a pattern.* Reducing suggestions to their basic components, classifying them, and isolating the common factors are basic steps in leading the group toward better ideas.

7. *Encourage adaptation and borrowing.* Educator Wendell Phillips has written that "In every matter that relates to invention, to form or to beauty, we are borrowers." Creative progress occurs most rapidly

(Continued on page 256)

97% of Employees Retained

During the years ahead, automation will undoubtedly cause many jobs to be eliminated and many job holders to be displaced, at least temporarily. Also, the anxieties of thousands of other workers who fear they may lose their jobs through no fault of their own should not be minimized.

In this connection, the experience of the Detroit Edison Company in dealing with 100 employees whose jobs were eliminated due to the introduction of new machines and improved methods is worth noting. Through advance planning and careful scheduling over a two-year period, it was possible to find suitable new jobs for ninety-seven of the one hundred individuals. And efforts to place the remaining three workers in permanent positions are continuing.

A careful look at Detroit Edison's records gives additional reassurance concerning these displaced employees. It was possible to find other jobs for fifty-four of them without changing their departments. Forty-three were transferred to other departments of the company. In nineteen instances, the new jobs temporarily paid less; in fifty cases they paid the same; and in twenty-eight the pay was higher than in the old jobs.

Employees' Extra Moving Expenses

Some companies provide a special allowance so that employees will not be "out of pocket" when they move at the company's request

HAVE YOU moved lately? If you have, you know how incidentals add to the total bill. The kitchen range and washing machine have to be disconnected, and then reattached at the new address. A high voltage circuit has to be installed at the new location before you can use your air conditioner. The television antenna comes down and has to be re-erected. Or, if you decide not to take it with you, a new antenna must be purchased.

The rugs don't fit in the new house. They have to be recut and bound. Sometimes it is impossible to use the old ones; you have to buy new floor covering. The living room curtains are much too short for the windows; the Venetian blinds are too wide. The former tenants weren't good housekeepers; floors have to be refinished, and windows cleaned.

Extra costs are also encountered in relocating, apart from household furnishings and equipment. If you move to another state, you may have to buy new auto license plates, and acquire another driver's license. The car may have to be stored until you find a house with a garage. The unexpired portions of club dues and school fees at the old location are lost; dues and fees are again payable as you join organizations at the new location and your children are enrolled in new schools.

Such costs add up. And if you are an employee moving at your company's request, you may be considerably "out of pocket" even though the company pays the major bills for transportation of yourself, your family and your goods.

A growing number of companies are concluding that assistance should be given toward the payment of extra expenses directly related to any relocation made at the request of the company. Their intent is to enable transferred employees to move without suffering financial loss. An allowance for incidentals is made, both in the case of occasional transfers of individuals and when employees are moved as a group.

OCCASIONAL TRANSFERS

THE CONFERENCE BOARD recently completed a survey of company reimbursement practices concerning employees' moving expenses.[1] One-hundred and fifty-one companies that pay moving expenses for the transferred employee supplied information in detail as to the types of expenses that they pay. About 40% of this group provide an allowance for incidentals.

About 13% pay the actual cost of such incidentals. Approximately 9% reimburse employees only for the expense of removing and reinstalling utilities and appliances. About 6% make allowances based on the transferred employee's pay. The range in the several companies that follow this practice is from one week's pay to one-and-a-half months' pay.

Another 6% of the companies make fixed cash allowances, which range from $20 to $500. For instance, an insurance company allows $25 to the employee who is single, $100 to the employee who has dependents. A publishing company allows $100 to unmarried employees, $200 to those with families. Two companies make allowances for incidentals only to married employees—one allows $250; the other, $400.

About 2% include incidentals in "relocation allowances," which are, in part, designed to compensate the employee for the inconvenience of moving. A communications company, for instance, allows from $200 to $400 in the case of unmarried employees, and from $750 to $1,200 if they are married. The actual figure is determined by the individual employee's pay. But should there be hardship or unusual circumstances, the relocation allowance can be doubled, with special approval.

The remaining 4% of the companies handle incidental expenses on an individual basis. In most instances, allowances for transferred employees are figured on the same basis for all categories of workers. That is, the amounts do not vary according to the position of the individual or his type of work.

Some executives explain that the allowance for incidentals is not to be considered in any sense as a bonus; it is a reimbursement for actual expenditures. Except where there is a definite relocation allowance, the employee is not expected to apply for the company's maximum allowance for incidentals unless he is actually "out of pocket" that amount. Some require the employee to discuss with management, in advance of the move, what items will be included in incidental expenses. And following the move, the employee must itemize expenditures on the expense statement that he submits.

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[1] "Company Payment of Employees' Moving Expenses," *Studies in Personnel Policy*, No. 154.

GROUP MOVES

In addition to the companies that reported on occasional transfers, thirty companies described their practices in the case of group moves, when entire departments, plants or offices were moved.

These were analyzed separately, with the thought that company practices might be either more liberal or less so when many employees are moved at a time. Expense might deter an employer from the payment of items for large groups that he would pay with little thought if only a few individuals were being transferred in a year. On the other hand, an employer might feel greater moral obligation to reimburse employees for expenses when they must choose between moving or losing their jobs, as would be the case if an entire plant or office were moved.

Two-thirds of the group moves studied were made during the last five years, the majority in 1954 and 1955.

An even larger percentage of companies, it was found, made allowances for incidental expenses in the case of group transfers than is true of the companies reporting practices for occasional transfers. About 62% of the companies that moved groups of employees made such allowances in the case of top management, supervisory, technical, professional, and rank-and-file clerical workers. The number of companies that transferred sales and rank-and-file production workers was too small to make percentages meaningful.

Of the nineteen companies that made allowances for incidentals for at least one category of employees, seven made fixed dollar contributions toward this type of expense. The over-all allowances varied from $50 to a $500 maximum.

Three companies made allowances in terms of equivalents of pay. One allowed one month's pay; the second allowed a month's pay plus 25%; the third allowed one-and-one-half months' pay.

Three paid the actual cost of incidentals with no established maximums. Five reimbursed employees only for the cost of removing and reinstalling utilities and appliances. The remaining company made a "reasonable" allowance, with no definition of the term.

NEWLY HIRED EMPLOYEES

A special allowance for incidental moving expenses in the case of new hires is unusual, according to practices reported by companies cooperating in this survey. Of ninety-one companies that pay some type of moving expense for newly hired employees, only seven make allowances for incidental costs.

Four of these companies pay only for disconnecting and connecting utilities, and detaching and attaching gas and electric appliances. They are a food products company, a machinery manufacturer, an aircraft company and a metal manufacturer.

An insurance company allows personnel employed for top management jobs a sum equal to one month's salary for incidental moving costs. Half a month's salary is allowed to those employed for supervisory, technical, professional, sales and rank-and-file production jobs.

While no fixed amount is allowed for incidentals by a public utility company, in the case of top management and supervisory personnel special consideration is given to these items. A paper manufacturer, in special instances only, allows a maximum of approximately $150 for incidentals to top management, supervisory and technical employees.

THE TAX ANGLE

When companies began making special allowances for incidentals, the question arose as to whether such payments would have to be considered as income by the employee, and would therefore be taxable. Rulings from the Internal Revenue Service received by various companies indicated that items directly related to the transfer of household effects from the employee's old residence to the new would be considered part of the moving expenses.[1] And therefore the reimbursement from the company for such expenses is not taxable. The employee would, however, have to be ready to justify each item of expense.

If the company paid an over-all sum for the purpose and the employee did not spend the whole of it on incidentals, he would be expected to pay a tax on that part of the allowance which was not actually spent for goods or services. Any part of the allowance that might be thought of as partial recompense for the inconvenience and discomforts of moving, for instance, would be considered taxable income.

To avoid discussion with income-tax examiners as to which items are allowed or disallowed as moving expenses, one of the companies transferring a large number of employees decided to make its allowance for incidentals especially liberal, and to apply withholding tax on the whole. The company's explanation to its employees was as follows:

> "We realize that there are many miscellaneous expenses, some of them unexpected, in connection with the buying or renting of a new home. Many of these expenses involve special situations. Rather than seek to meet these problems

(Continued on page 264)

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[1] Under a ruling of the Internal Revenue Service late in 1954 (Rev. Rul. 54-429, C. B. 1954-2, 53), the employee need pay no income tax on an allowance or reimbursement by the employer for expenses of moving himself, members of his immediate family, household goods and personal effects in case of a transfer in the interest of his employer.

But any excess of the allowance or reimbursement over the actual expenses incurred for such purposes are includable in the employee's gross income and are taxable. Amounts received as allowances or reimbursement for meals or lodging of the employee and his family while awaiting permanent quarters at the new post of duty are taxable to the employee. (Section 22 [a] of the Internal Revenue Code of 1939)

Work Standards and Labor Costs[1]

by William W. Aulepp

Manager of Industrial Engineering, Ford Motor Company

THE GRADUAL but persistent increase in wages, fringe benefits and, more recently, income security —resulting from collective bargaining processes over the past ten years—have tended to alter management's problems only in form rather than in substance. Efficient managements have always planned and worked to accomplish these same objectives for their employees through the promotion of a healthy economy, which we know from past experience provides a higher standard of living for everyone.

Actually, the trend during the past decade of making increased employee benefits a matter of contractual obligation has merely rearranged the cart and the horse. It has compelled efficiency increases to offset the obligations rather than allowing the benefits to come about as a consequence of greater efficiency.

Some segments of organized labor might argue with some justification that until pressure was applied, benefits flowing from improved efficiency were too slow in coming, if in some cases they came at all.

However, the conversation we occasionally hear from other quarters about taking away what used to be regarded as sacred management rights is in itself of no real consequence for enlightened management. A real problem only arises when the limitation of management's right to manage is so restricted that the company's ability to operate effectively in free competition is jeopardized.

This problem has at least as great an implication for the employee as it has for management. This might best be illustrated by a conversation between an interviewer and a job applicant. In reply to a query regarding the applicant's last place of employment, he outlined in glowing terms the rates of pay, liberal vacations, hospital and pension plans, and outstanding work surroundings. Whereupon the amazed interviewer asked why on earth the applicant had left his last place of employment. The hopeful employee replied, "Oh, they're out of business."

At the risk of oversimplification, we can say that progressive managements have always striven, and will continue to strive, for manufacturing cost reduction (including labor costs), whether faced with fixed obligations in the form of increased employee benefits or not. And to the extent that these increased benefits can be absorbed through effective management, nothing new has been added. The imposition of a contractual obligation to increase labor costs alters the basic problem only to the extent that a greater effort is required to stay even—although merely staying even in most American industries today is a slow death, and not too slow, at that.

Just as the need for cost reduction is not new, also no new dramatic way to effect such reductions has been devised. Cost reductions just do not happen; they must be caused. For many years, a rather haphazard application of individual ingenuity resulted in cost reductions of sufficient magnitude to sustain most businesses. Today, however, a planned, systematic approach is essential. A sound work standards program embodies such an approach and, in my opinion, represents the best, though certainly not the newest way to handle the problem. Supported by careful engineering, such a program provides the requisite data for an evaluation of where a company stands and discloses the areas where a concentration of effort is needed.

In some industries where worker effort is of prime importance in increasing productivity, some form of incentive pay may assist immeasurably in a cost reduction program. In other industries, where the effect of worker effort is limited by process or equipment control, increased efficiency must be almost entirely management inspired and planned.

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Providing for cost reduction in any program at the planning stage cannot be too strongly recommended. Many problems and much grief can be avoided by keeping high-labor-cost processes from ever getting into the actual production process. In the automotive industry in general, and in the company I represent in particular, careful planning is mandatory preceding each new model year to insure that the most economical methods of manufacturing will be utilized. Once the wheels are set in motion for production of a model, the opportunities for making further changes are limited because of production requirements. However, after the model is in production, careful follow-up is required to insure that the production processes are in operation according to plan. And at the same time, the company can investigate if a better way of manufacturing can be developed and put into use at the next appropriate time.

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[1] Talk given at the 40th Annual Meeting of The Conference Board.

In our particular case, the responsibility for increased productivity is largely management's. At this point I can't help but dwell briefly on the subject of automation. I think that it is interesting to note that while we have installations of which we are justifiably proud, the high propensity toward obsolescence in our industry, because of changes in product design, makes it necessary to be very selective in the application of automatic devices.

There are, for example, many areas which we feel will not lend themselves to automation unless a greater stability of product comes about. And product stability is not possible in those industries where the accent is on constant improvement in design at the same or a reduced price, as opposed to price reduction of a relatively stable product. In our situation, for example, the consumer demands comfort, style, quality, and value. And the manufacturer who attempts to market today's car five years hence, even at a substantially lower price, is doomed to failure. So, in spite of an occasional dramatic application of a technological improvement, a great deal of cost-reduction work is of the everyday, garden variety rather than revolutionary in nature, and this is appropriate.

* * *

The development of a sound work standard is essential to any cost control program. With the advent of contractual definitions of management's right to establish and enforce standards of production, there came, at least in our case, the accompanying obligation that such standards be fair and equitable to all parties involved, and that some system of measurement be employed in their establishment. All systems of measurement worthy of the name are essentially composed of the same ingredients. But the quality of the resulting standard is largely dependent upon the care and the skill with which the prescribed techniques are employed.

How good a job is done up to this point is entirely within management's control. But the over-all success of a standards program is obviously dependent upon the employee's acceptance of the standards as being fair and equitable and his willingness to work to them. No system of work measurement, no matter how carefully constructed or how painstakingly executed, can be successful without intelligent application and administration.

Since the introduction of the scientific approach to cost reduction by Frederick W. Taylor in 1881, the setting of production or work standards has had a checkered career. Alternately the procedure has been praised and damned by management and worker alike. As happens too often, at first many overzealous advocates of the procedure expounded its virtues until it came to be regarded as something of an elixir for the reduction of labor costs. And an all too prevalent feeling developed that a standard established through the use of time study was to work measurement what the thermometer is to the measurement of temperature. There was little or no appreciation of the limitations in time study or its subjective aspects.

* * *

Early emphasis in methods improvement was centered largely upon elimination of obvious waste. And productivity increases resulted from either increased worker effort or short cuts devised by workers. As might be expected, the looseness with which the methods analysis was made prior to the setting of the standard, together with the employees' desire to find a way which would more easily permit attainment of the standard, soon led to the phenomenon of what has come to be regarded as creeping changes. Too often the expedient and simple solution to this was an arbitrary adjustment of the standard, with an attendant increase in production requirements. Because so many applications were associated with piece-work wage payments, this practice came to be called rate cutting, and time study fell into wide disrepute. The worker looked upon time study with suspicion because the "carrot" was constantly being moved further out front. And many managers discredited work measurement because workers defeated its purpose by artificially limiting production.

To some extent, time study still carries this stigma. In our own case, while the union does not support time study as a matter of policy, we have learned to live together while still using it, through careful, conscientious application and administration. Through experience we have developed a set of governing principles which I am presenting here for your consideration.

First, work standards must be realistic. A good standard covers all items of work for which the employee is responsible as well as all delays over which he has no control. Of course, any delay allowed for in the standard must be consistent with the concept of efficient operation after considering the facilities available. This is not to imply that inefficiencies are to be covered by the standards. Rather, it means that once having established the method for which management is responsible, the standard must fairly reflect the method and be attainable by a qualified employee using normal skill and effort.

Second, the standard is not a secret document. Management must stand ready to discuss any or all information relative to the standard with the employees or their representative. It is only through willingness to explain the development of the standard and what it covers that the confidence of the employees is gained and held.

Third, the work standard applies to a given set of conditions. The conditions referred to here are those which are described in the standard as being factors which have significant effect on the time required to do the work. On occasion, we are faced with the academic argument that a standard established on any given day or hour cannot possibly apply on any other day since temperature, humidity, physiological and psychological factors are not exactly the same. Such argument does not recognize the limits of accuracy inherent in the system of work measurement and inferentially gives greater weight to the effects of such factors than experience would indicate is warranted.

Fourth, changes in operations must be promptly reported and just as promptly acted upon for adjustment in the standard, because any delay in taking advantage of methods improvement represents a loss. The most important loss is employee resistance to the new standard when considerable time is allowed to elapse before the revision. After an employee has grown accustomed to performing an improved operation against an old standard, both production and employee confidence in the system have suffered. And the production lost cannot be regained when the standard is finally revised.

Fifth, work standards should not be indiscriminately changed. Generally speaking, a standard should be changed only when warranted by a change in operating conditions. This is not to suggest that no attempt at correction should be made in isolated cases where errors have resulted in gross inequities to either party. Such inequities are almost as intolerable to the employee as to management. And if the employee is openly approached, the situation in all probability can be rectified with no real loss of prestige.

Sixth, work standard disputes must be intelligently handled. All disputes must be promptly investigated. And if a revision is indicated, it should be made promptly. Disputes can be most effectively settled on the floor where the job and the employee involved are located. The more people who are called into a dispute, the further the discussion gets away from the essential question, and the more difficult it becomes to resolve it.

Seventh, the work standard is an aid to, not a substitute for, effective supervision. The intent of the standard is to provide supervisors with a guide to be used to maintain the required flow of production. The use of the standard as a club to cover ineffective supervision can lead in only one direction; dispute over the standard itself.

It must be remembered that the standard, in effect, defines the equivalent of normal production capacity when related to a human being. And since motivation and mental outlook are factors, we are dealing with unmeasurable variables, if we use the term "measurement" in the strict sense. Therefore establishing a standard on a job does not magically transform that job into a smooth-running, trouble-free operation. Good supervision remains the only real answer to efficiency. The work standard will help the good supervisor do a better job. But the poor supervisor nullifies its effectiveness.

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In a rather brief way we have taken a quick look over our shoulder to see what has happened in the past in the field of standards and cost reduction. And in some detail, we have observed the present for purposes of judging progress. Now what about the future? What will organized labor's reaction be to continued and, in all probability, accelerated labor-cost-reduction programs?

For the company that has built a sound work-standards system and conducted an intelligent, forceful cost-reduction program in the past, there is no reason to anticipate any additional labor relations difficulties. Organized labor's position in the past few years, judging by statements of responsible leaders, has been one of acceptance of continuing technological improvement as essential to our economic progress. It is reasonable to hope that in the future, where sound programs are conducted, labor will not choose to resist.

We can be quite sure that labor will continue to press for greater benefits. But realizing these benefits on a sound basis will be possible only if there are continuing reductions in unit man-hour requirements. It is also safe to say that, with the ever-increasing emphasis upon cost reduction, management will not be static in its efforts to improve techniques. Improvements in management sciences are just as essential to economic progress as is the development of new manufacturing techniques or new products.

Recent history supports this idea. Witness the development in production control, the introduction of statistical quality control, and improved personnel and training procedures. And these are only a few examples of some of the latest developments. In some quarters, operations research is being heralded as an invaluable management tool.

Substantial progress has also been made in some industries to improve the liaison between designing and manufacturing. In the field of work measurement, various tabular time-study procedures—such as meth-

(Continued on page 254)

Wage Adjustments in 1956 Continue Upward Trend

HIGHLIGHTS of the analysis of 476 wage adjustments confirmed by THE CONFERENCE BOARD during the six-month period from mid-December through mid-June are:

- Nine cents an hour was the average increase in the United States during the first half of 1956. This is about 3.5 cents more than the average for the corresponding period last year.
- Settlements involving Canadian firms are tabulated separately for the first time in the midyear report.
- Settlements establishing industry-wide patterns were confirmed in chemicals, electrical equipment, petroleum and transportation equipment.

These adjustments, 412 of which are hourly increases and sixty-four percentage increases, continue the upward thrust that has been evident for the last ten years, according to the data compiled monthly by the Board. As already stated, the average hourly increase in the United States during this period was 9 cents. Settlements confirmed during the two preceding six-month periods averaged 5.5 cents in early 1955 and 7.8 cents for the latter half of the year. Thus, the average hourly adjustment is about 3.5 cents higher than a year ago.

During the first half of 1955, 65% of the hourly adjustments were less than 6 cents; none was over 18 cents, and two wage cuts were reported. For the first half of 1956, less than 20% of the confirmed adjustments in the United States are under 6 cents; increases have ranged up to 25 cents; and no decreases are reported. The chart on this page compares wage adjustments in the United States for these two periods. The Canadian picture for 1956 is also charted.

Canadian settlements, tabulated separately for the first time in the mid-year summary show an average hourly increase of 7.7 cents. These settlements are given in the table on the next page, along with the United States settlements. However, because of the small Canadian sample, the figures do not give a reliable comparison of the two countries.

ANALYSIS OF SETTLEMENTS BY INDUSTRY

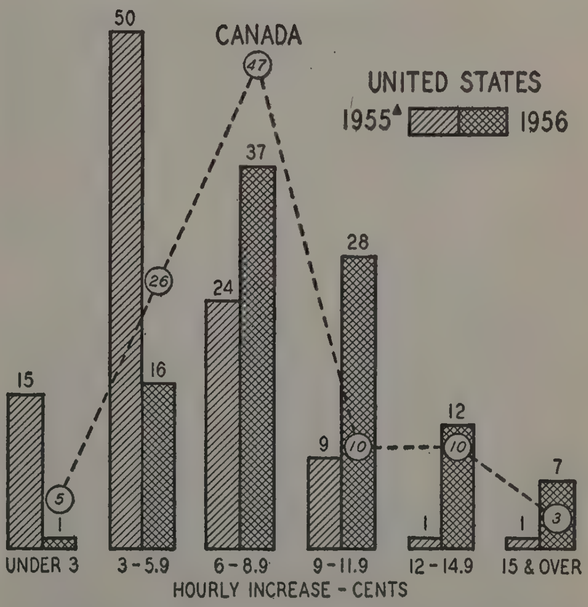
The forty-eight settlements reported in the chemical industry represent the largest number in a single industry group. In line with the over-all wage picture, most of the increases in chemicals range between 6 cents and 11.9 cents. And more than half are at or above the 9-cent average for the midyear period.

Several major companies in the electrical equipment field granted percentage increases not shown in the table, since only cents-per-hour settlements are listed there. A total of twelve percentage increases were confirmed in this industry, ten of which grant a 3% immediate increase. The General Electric and Westinghouse five-year contracts include, in addition to the 3% initial increase, "adder" increases of 3% in each of the next two years of the contracts, and 3%-plus in the fourth and fifth years. Base-rate increases for hourly and salaried employees are also part of the agreements. And sizable fringe benefits, including improved pensions, insurance, and cost of living allowances are added features of the package.

Industry-wide adjustments in petroleum were made effective early in February and resulted in a 6% wage boost (minimum of 15 cents an hour or $26 per month)

Wage Adjustments in the First Half

Per Cent Distribution



▲ 1955 figures include some Canadian adjustments totaling less than 2% of all adjustments involved. Also some decreases are included for 1955 in the under-3-cents group.

Wage Adjustments Reported in the First Half of 1956

UNITED STATES

Industry	Number of Hourly Adjustments Reported by Cents Per Hour							
	Under 3	3-5.9	6-8.9	9-11.9	12-14.9	15-17.9	18 & Over	Total
Manufacturing								
Apparel	—	4	4	2	1	1	—	12
Chemicals	—	8	15	16	6	3	—	48
Electrical equipment	—	—	6	8	1	—	1	16
Fabricated metals	1	—	3	8	3	1	—	16
Food	2	1	6	4	6	5	1	25
Machinery	—	3	10	9	4	—	2	28
Paper	—	5	9	1	—	—	—	15
Stone, clay and glass products	—	3	3	6	1	1	4	18
Textile mill products	1	5	8	1	7	1	—	23
Transportation equipment	—	4	12	8	3	1	—	28
Other manufacturing	—	12	23	12	6	—	—	53
Total manufacturing	*4*	*45*	*99*	*75*	*38*	*13*	*8*	*282*
Nonmanufacturing								
Communications	—	4	12	8	—	—	—	24
Transportation	—	2	9	8	3	—	—	22
Other nonmanufacturing	—	4	8	6	2	—	2	22
Total nonmanufacturing	—	*10*	*29*	*22*	*5*	—	*2*	*68*

UNITED STATES AND CANADA

Industry	Under 3	3-5.9	6-8.9	9-11.9	12-14.9	15-17.9	18 & Over	Total
United States	4	55	128	97	43	13	10	350
Canada	3	16	29	6	6	1	1	62
Total	7	71	157	103	49	14	11	412

for both union and nonunion employees. Settlements were reported for the major companies in the industry; twelve have confirmed their settlements. All of these contracts follow the general pattern established for this industry. But like the percentage increases in the electrical equipment industry, those in petroleum are not included in the cents-per-hour table.

Public utilities is another industry in which the major portion of increases are expressed in percentage terms. Eleven such increases were tabulated, practically all falling between 5% and 6%.

In transportation equipment, most increases shown in the 6-to-8.9-cents group in the table represent the automotive industry. These follow the Ford-GM pattern. The settlements in higher brackets are principally in the aircraft industry. Typical of these is the Douglas Aircraft agreement with the United Auto Workers, AFL-CIO, and with the Southern California Professional Engineering Association, ind. These settlements grant increases of from 9 cents to 15 cents.

Almost a third of the textile settlements show increases ranging from 12 cents through 14 cents. Of the twenty-three reported, just one is under 3 cents, while there are no decreases listed for this industry for the six-month period. For the first half of 1955, almost 50% of the settlements gave no increases, and the remaining half showed increases of less than 6 cents.

In the apparel industry, the total of twelve settlements shown in the table is more impressive than it appears to be. Five of the twelve represent agreements with manufacturers associations aggregating more than 1,000 firms. The largest of these, the Clothing Manufacturers' Association, includes about 800 companies that granted an average hourly increase of 13.5 cents to some 150,000 Amalgamated Clothing Workers.

Increases in the nonmanufacturing sector fall mainly between 6 cents and 11.9 cents. In both transportation and communications, three out of four settlements are in this range. Major airlines and Class I Railroads granted increases of from 10 cents to 15 cents, while city transit systems in various parts of the country reported increases averaging 7 cents.

MONTHLY WAGE SETTLEMENTS

Ten cents was the average hourly wage increase in the United States for the settlements confirmed during the mid-May to mid-June period, while the Canadian average was 6 cents.

Of the 126 settlements received for the month, 101 affect firms in the United States. These granted wage increases ranging from 5 cents to 25 cents. And the twenty-five Canadian adjustments gave hourly increases ranging from 1 cent to 9 cents.

Significant Settlements

Philco Corporation's agreement with IUE follows the electrical machinery industry wage pattern of a 3% general increase. In terms of cents per hour, this means a minimum increment of 5 cents for some 5,000 IUE members. And nonunion employees, numbering about 4,000, also receive a 3% boost in pay. In addition, the new agreement increases severance pay by 2 cents an hour, effective January 1, 1957, and a fund is established for job inequity adjustments. Also included is a new health and welfare agreement which provides life, sickness, and accident benefits based on the increased wage rates.

The Erie Resistor Corporation agreement with IUE granted hourly increases of 6 cents to incentive workers and 7.5 cents to day workers. Nonunion salaried employees receive a tandem increase of $3 per week, or 3%, whichever is higher.

Confirmed settlements in the textile industry show wage increases, for the most part, of around 12 cents an hour. Of the ten adjustments reported this month, seven are new contracts and three are wage reopeners in continuing agreements. Five of the seven new contracts grant hourly increases of 12 cents or 12.5 cents; one grants an 8-cent hourly boost; and one calls for a 6.5% increase with no indication of the equivalent hourly increase. Seven of the textile settlements are without new or liberalized fringe benefits, although negotiations were reported as still continuing in one case. Where fringe items are included they consist mainly of improved insurance benefits.

There were further settlements confirmed in the aircraft industry. Douglas Aircraft—in addition to its settlement with UAW, AFL-CIO and with the Southern California Professional Engineering Association, ind., listed in the June *Management Record*—has reported an agreement with the Teamsters' union. The new agreement is substantially the same as those covering the other union groups. It calls for an immediate increase of 15 cents per hour and a deferred increment of 7 cents. The Teamster contract is retroactive to last October.

The Rohr Aircraft Corporation of Chula Vista and Riverside, California, granted an increase averaging 5% to workers represented by the International Association of Machinists. Like the Douglas Aircraft contracts, this agreement also contains a 7-cent deferred increment.

The 800 firms that comprise the Clothing Manufacturers' Association concluded agreements with the Amalgamated Clothing Workers that resulted in hourly increases ranging from 12.5 cents to 14 cents. A 6% rise in employer contributions to the Clothing Workers' insurance fund is an added feature of the settlement which affects some 150,000 employees.

Canadian Settlements

The agreement between Canadian General Electric Company, Limited and UE, ind., follows the pattern of contracts negotiated by GE in the United States. In addition to an immediate 3% increase, additional increases of 3% or 3.5% become effective in each year of the five-year contract. And special increases are granted to skilled tradesmen, day workers, and women employees. A cost of living escalator clause, improved health and pension benefits, shift premium increases, and liberalized holiday provisions complete the GE package. In addition, as in the contracts in the United States, a clause provides for negotiation of employment security at the end of the third year. About 5,000 employees are covered by the new contract in plants at Toronto, Peterborough, and Guelph, Ontario.

Electro-Metallurgical Company, a division of Union Carbide Canada Limited, also granted a wage increase to UE, ind. members. The 8-cent hourly increase was the result of a wage reopening in the existing contract.

International Harvester of Canada, Limited, in a contract with the Steelworkers, CLC, boosted wages by $2.20 a week, retroactive to last November. Fringe items in the one-year contract include overtime pay after a forty-hour week and company-paid hospital and medical benefits for both employees and their dependents.

The 126 settlements tabulated for this period affect more than 400,000 employees in the United States and Canada. Details of most of these are shown in the table beginning on page 257.

MITCHELL MEYER
N. BEATRICE WORTHY
Statistical Division

Management Bookshelf

Empire in Wood—An historical account of the growth and structural development of the United Brotherhood of Carpenters and Joiners of America. Of particular interest is the subject of jurisdictional disputes. These arose after 1912 when the Carpenters, originally a craft union, adjusted to industrial changes in the building industry by extending jurisdiction to "anything that is made out of wood, or was *ever* made out of wood." In so doing, the union became embroiled in a still-continuing series of jurisdictional disputes with other craft and industrial unions. The book also covers the varying points of view of the leaders who have sought to influence the union's program, particularly at the national level. *By Robert A. Christie, Cornell University Press, Ithaca, New York, 1956, 356 pp, $4.50 paper, $5.50 cloth.*

Standards for One-Nurse Medical Units

The industrial nurse's duties in the one-nurse medical department may include much more than emergency treatment of the ill or injured

THE POSITION of the nurse in industry is often an anomalous one, especially in a one-nurse medical unit. If she does not work under the direction of a full-time doctor, she may report to any one of a number of persons—the personnel manager, the safety director, the general manager, the controller or some other supervisor.

The nurse's sphere of responsibility also varies. In some instances she is given so little initiative and freedom that she is unable to use her full capabilities. In other cases, she is doubtful about just what her functions as a company nurse are and, as a result, she may unwittingly operate beyond the range of duties professionally prescribed. Similarly, managements often unknowingly force too much responsibility upon the nurse.

One reason that these situations arise may be the haphazard manner in which many industrial medical units have developed. Often they were originally instituted as first-aid services, with a part-time nurse or an employee with a first-aid certificate in charge. And as units expanded to full-time nurse services, with part-time or on-call doctors, little regard was given to their place in the organization. Sometimes the trouble stems from neglect to analyze the nurse's position, the scope of her duties, her capabilities and the potentialities of her job. And this may be the fault of someone within management or the medical unit or even the nurse herself.

Another factor accounting for lack of uniformity in this area of company operation during past years has been the absence of current authoritative directives by medical and nursing groups to keep both management and company medical personnel informed on just what a nurse's job standards should be in the expanding occupational health field. In very recent years this situation has improved[1] with the issuance of standards, procedures and principles, by professional groups, to guide the industrial nurse.

Until now, however, none of these directives has been devoted to problems of the one-nurse medical unit in a company. Yet the one-nurse situation is the most common in industry. Some estimates classify almost 75% of industrial medical services as being staffed by one nurse.[1] A seemingly contradictory finding occurs in a current Conference Board study of 242 companies with medical services. Here only sixty-six firms, or a little more than one-fourth of the survey participants, have one-nurse operations. However, this is not indicative of the real percentage of one-nurse services, because a deliberate effort was made by the Board to include varying sizes and types of companies and thus attain a diversified sample of medical plans.

Table 1: Size and Number of Companies with One-Nurse Services in Conference Board Survey

Number of Employees	No. of Companies in Survey	Companies with One-Nurse Service		
		Number	Per Cent of 66 Companies	Per Cent of 242 Companies
Total	*242*	*66*	*100%*	*27.3%*
0-999	53	32	48.5	13.2
1,000-2,499	81	24	36.4	9.9
2,500-4,999	41	5	7.6	2.1
5,000 or more	56	1	1.5	0.4
Unknown	11	4	6.1	1.7

Table 2: Extent of Doctor Service in Companies with One-Nurse Medical Units

Type of Doctor Service	No. of Companies	Per Cent of Companies
Total	*66*	*100.0%*
Part-time doctor	37	56.1
Doctor on call	16	24.2
Full-time doctor[1]	10	15.2
Unknown	3	4.5

[1] The Occupational Health Institute, Inc., of the Industrial Medical Association recommends that "in an industry with 2,500 employees located in a given area, the services of one full-time, qualified physician, or his equivalent, can be well utilized." "Equivalent" means the services of a part-time physician plus the use of professional consultants. If potential industrial hazards exist, the services of competent industrial hygiene consultants should supplement the doctors' services, according to this professional group.

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[1] "Duties of the Company Nurse," *Management Record,* October, 1955, p. 404, a revised statement of the American Association of Industrial Nurses, defines the duties and responsibilities of all nurses in industry. An AAIN statement concerning management's relationship with the industrial nurse was published in the August, 1953, *Management Record,* under the title "Management and the Industrial Nurse."

A reference in *Management Record,* May, 1956, p. 181, refers to the "Guiding Principles and Procedures for Industrial Nurses," published by the Council on Industrial Health of the American Medical Association.

[1] "Nurses Invest in Patient Care," American Nurses' Association, May, 1956.

It is significant, however, that not all of the one-nurse services in this Conference Board survey are in the smallest-size companies. As Table 1 shows, more than a third are in the 1,000 to 2,500 employee category, and a few are in even larger companies.

Few of the sixty-six companies have full-time doctors to serve as administrators of the medical units, as Table 2 shows. In some instances, these full-time doctors are medical directors of their companies and give advisory service to branch plants as well. But they operate their companies' headquarters medical services as separate units with full-time medical direction.

To answer the need for directives in one-nurse medical units, the Industrial Nurses Section of the American Nurses' Association, at its biennial convention in May, adopted a statement of functions and standards "for an industrial nurse in a one-nurse service in commerce or industry."

As is evident from the following summarized version of these functions and standards, the industrial nurse's possible scope of duties is broad in a one-nurse medical unit. Duties cover not only emergency treatment of the ill and injured and a preventive medical program, but they also encompass cooperation with community agencies, maintenance, supervision and purchasing of equipment for the medical quarters, as well as participation in the company's safety program, etc.

Functions and Standards for an Industrial Nurse in a One-Nurse Service in Commerce or Industry

Administration and Operation of the Health Service Department

1. *Function*—The nurse participates with management and the medical director in the formulation and implementation of administrative policies of the health service department.

Standards—She requests mutual agreement by management, nurse and physician of the desired scope and objectives of the health program; she interprets to management and physician limitations imposed on her by the State Nursing Practice Act and the need for adequate medical direction; she maintains a health-service policy and procedure manual with such basic information as: (a) company's administrative directives relating to personnel policies, and the nurse's duties and place in the organization; (b) written medical direction for emergency nursing care, treatment and subsequent disposition of the ill and injured; (c) list of nurse's duties and responsibilities (job description); (d) copy of State Nursing Practice Act; (e) sample record and report forms, and directions for their use; (f) anatomical charts; (g) toxicology chart; (h) list of community health and welfare agencies; (i) a plan for major emergencies including the duties of first-aid personnel and other auxiliary workers.

2. *Function*—The nurse maintains a system of records and reports.

Standards—Accepts the following as minimum: (a) individual records—confidential health record folder of individual employee with examination findings, treatment record and absentee record of illness and injury; (b) administrative reports—daily tabulation work sheet; monthly statistical and narrative report; annual statistical and narrative report.

It is the nurse's responsibility to see that the record and report system is concise and complete, legible, workable and flexible, meets legal requirements, and is periodically revised.

3. *Function*—The nurse selects, trains, and supervises auxiliary nursing personnel.

Standards—Recognizes need for auxiliary nursing personnel; prepares job description for auxiliary nursing personnel and prescribes limits to their activities; arranges for adequate coverage on all shifts.

4. *Function*—The nurse plans with others for the selection, training, and supervision of a team of first-aid workers to assist in plant emergencies.

Standards—Recognizes and interprets to management the need for a well-organized team of trained first-aid workers; requests written administrative and professional policy of management to insure safe handling and transportation of ill or injured personnel, and interprets policy to members of the emergency team; cooperates with safety director and others in providing instruction to key personnel in handling, lifting and transporting injured or ill persons until professional care is available; arranges for portable emergency equipment; arranges for appropriate supplies for areas relatively remote from health service department or where equipment may be needed immediately because of potential hazards.

5. *Function*—The nurse maintains the health service department, including the selection of supplies, equipment and appropriate books and magazines for reference.

Standards—Uses approved standards as guide for maintenance; works through established inter- and intradepartmental channels for selection and purchase of equipment and supplies.

6. *Function*—The nurse participates in the prevention and control of injuries and occupational disease hazards.

Standards—Serves on plant health and safety committee, or comparable group; teaches safety on and off the job; works with plant personnel in developing and maintaining a toxicology chart for use in prevention and control of occupational disease hazards; promotes use of and assists in selection and care of protective equipment; reports unsafe or hazardous conditions and maintains a cumulative report by departments of all injuries and symptoms; plans with plant physician and management for periodic physical examinations and follow-up of employees exposed to toxic or injurious materials; obtains information about services available from local and state agencies, insurance carriers and others for prevention and control of injuries and occupational diseases and assists in interpreting and utilizing these services.

7. *Function*—The nurse assists in maintaining acceptable plant sanitation standards.

Standards—Recognizes and interprets to management the need for adequate sanitary facilities; confers with appropriate persons on care and cleanliness of sanitary facilities and makes inspection at regular intervals; serves on housekeeping and/or sanitation committee and promotes good housekeeping practices; utilizes advisory services on sanitation available from state and local health agency.

8. *Function*—The nurse advises on food-handling facilities and services.

Standards—Interprets to management the need for adequate facilities and services; arranges for compliance with minimum standards pertaining to food-handlers facilities; may make periodic inspections of food handlers and facilities and confer with appropriate supervisors; utilizes advisory services available from state and local health agency.

9. *Function*—The nurse participates in planning for emergency care in catastrophic emergencies and national defense.

Standards—Obtains information about local civil defense resources and plans; keeps management informed about pertinent medical-nursing plans; has on the premises the necessary basic supplies and equipment suitable to the plant population; encourages and guides workers to form plant committees to be trained to assist; cooperates and coordinates activities with local area defense program.

10. *Function*—The nurse periodically evaluates the total health service.

Standards—Compares current program with established standards; compares current program with previous achievement to determine progress; compares accident frequency and severity rates with national figures for similar industry; seeks to determine value of nurse's service with view to making necessary changes; evaluates expenditure of nurse's duties in relation to nursing and nonnursing duties; determines own need in relation to possible further learning if the program is to grow; uses the annual report to interpret to management the achievements of the health service and makes suggestions and recommendations for improvement.

Nursing Care—Health Maintenance

1. *Function*—The nurse gives emergency care for occupational injuries and illnesses, and administers additional treatment and care as prescribed.

Standards—Gives such care in accordance with written medical direction and within limits of State Nursing Practice Act; considers possible relationships between ailment and exposure to injurious or toxic materials; provides any needed guidance to employee in view of psychological, social, and economic impact of injury or illness; recognizes that rehabilitation begins at time of any injury or illness; requests written policy (administrative and professional) of management to insure safe handling and transportation of ill or injured personnel.

2. *Function*—The nurse gives emergency care for nonoccupational injuries and illnesses, and advises and makes referrals as indicated.

Standards—Gives such care in accordance with written medical direction; obtains orders from employee's physician for additional care; obtains orders from employee's physician for care of diagnosed conditions which could provide an emergency at work; recognizes limitations imposed by State Nursing Practice Act; follows ethical procedures for medical referrals; utilizes community health and welfare sources.

3. *Function*—The nurse participates with physician in preplacement, periodic, special, return-to-work and terminal health examinations and maintains a follow-up system for correction of defects, health counseling and physical examinations.

Standards—Obtains personal and occupational health history from individual; makes routine or assigned tests; discusses with employee the purpose, value and confidentiality of the examination, and also the medical findings and recommendations; explains how to utilize health services; interprets individual's physical capacities in relation to physical demands of job without revealing confidential information.

4. *Function*—The nurse makes observations of conditions, symptoms, and reactions, and records observations, treatments and disposition.

Standards—Makes observations meaningful, objective and accurate; records information promptly on permanent individual record using employee's own words in quotations when possible; signs each recording in ink.

5. *Function*—The nurse provides health counseling and information on an individual and group basis.

Standards—Provides opportunity for employees to discuss, in privacy, their physical and emotional problems; recognizes importance of being an interested listener; distinguishes own attitudes and feelings from those of employee; allows employee the right to feel the way he does; guides him to self-help, recognizing that resistance is involved in any change; makes referrals to and works with physician, dentist, health or welfare agency; makes selected authentic health information materials available to employees and utilizes these materials as teaching aids; contributes health articles for plant publication; if feasible promotes, conducts or assists with group conferences regarding health.

6. *Function*—The nurse supervises illness absence.

Standards—Consults with ill or injured employees before they leave the plant and interviews them upon their return to work following an illness or injury; if feasible, makes or arranges for nursing visits outside of plant; maintains adequate illness absentee records.

Health and Welfare Benefits

1. *Function*—The nurse may participate, with employer's approval, in the interpretation of workmen's compensation, group insurance and other health and welfare plans.

Standards—Keeps informed about changes in workmen's compensation laws and company's provisions for and administration of compensation insurance, group insurance and other health and welfare plans; interprets, with employer's approval, the purpose of the state workmen's compensation laws; offers interpretation and counsel, with employer's approval, on employee use of nonoccupational insurance benefits; maintains impartiality and objectivity; assists in obtaining data needed for records and reports.

Community Health and Welfare Agencies

1. *Function*—The nurse establishes working relationship with community agencies; encourages company participation in community health projects; participates, upon request, with schools of nursing, health agencies, and hospitals in providing observation and experience for students, faculty and staff.

Standards—Interprets to such agencies health needs of industrial workers; works with agencies to meet such needs, to formulate referral policies, to rehabilitate the ill or injured worker, and to control illness in the community; interprets to management the value of participating and cooperating in community health projects and encourages management to attend professional health meetings; promotes understanding of and interest in industrial nursing.

In addition to the functions and standards summarized here, the statement also includes a complete reference to functions and standards in the area of safety. At its May convention, the Industrial Nurses Section of the American Nurses' Association also adopted a set of qualifications for an industrial nurse in a one-nurse service. These pertain to professional qualifications, personal competence qualifications, and the essential knowledge and skills required.

DORIS M. THOMPSON
Division of Personnel Administration

Labor Press Highlights

More Union Mergers in the Making

UNDER the constitution of the AFL-CIO, mergers within the federation are left to the individual unions. And current developments indicate that unions in a variety of jurisdictions are headed for closer alliances

Meat Cutters and Packinghouse Workers

The on-again, off-again merger of the Amalgamated Meat Cutters and Butcher Workmen's union with the United Packinghouse Workers has finally been approved by both unions, reports *The Packinghouse Worker.*[1] Still remaining, however, is final ratification by the two unions of the new constitution now in preparation. A special joint convention to finalize the merger is scheduled early this fall.

Mergers Among Government Employees

Also slated to merge are two unions with jurisdiction over government employees: the American Federation of State, County and Municipal Employees (formerly AFL) and the Government and Civic Employees Organizing Committee (formerly CIO). The recent convention of the former AFL unit approved the merger. This union claims 115,000 members. Approval from the former CIO union, which claims 30,000 members, is expected this summer, according to *The AFL-CIO News.* Arnold Zander, currently head of the AFL unit, is slated for the presidency of the merged organization; Milton Murray, head of the CIO Organizing Committee, would be administrative vice-president, according to *The AFL-CIO News.*

Furniture Workers, Upholsterers and Carpenters

The United Furniture Workers (formerly CIO) has bids to merge with two former AFL unions, according to labor press reports. The Upholsterers' International Union (formerly AFL) has approved "partial merger" with the Furniture Workers. *The AFL-CIO News* reports that under the UIU's plan, the Furniture Workers, who broke away from the UIU eighteen years ago, would join a new Confederation of Upholsterers and Furniture Workers. The new confederation would have a centralized organizing, research, and legislative staff. And complete unification of the two unions would follow later. The Furniture Workers are also discussing merger with the United Brotherhood of Carpenters and Joiners (formerly AFL), reports *Labor's Daily.* Maurice A. Hutcheson, president of the Carpenters, has indicated that, if the amalgamation is completed, an organizing drive will be launched. The Carpenter union's aim, according to *Labor's Daily,* is a million-man organization. It now claims 835,000 workers, while the Furniture Workers' union claims 45,000 members. The Upholsterers' union claims 65,000 members.

Glass and Ceramics Industry Alliance

In the glass and ceramics industry, three unions, claiming a combined membership of 135,000, have exchanged views on the possibilities of a closer alliance. According to *The AFL-CIO Glass Workers News,* the American Flint Glass Workers' Union (formerly AFL), the Glass Bottle Blowers Association (formerly AFL) and the United Glass Workers (formerly CIO) are concerned with closer cooperation in bargaining, and they want to gain a stronger voice within the Industrial Union Department of the AFL-CIO. However, organizing is not a major goal of the alliance, reports the Glass Workers' paper, because basic manufacturing of glass is already completely organized.

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[1] See "Unity in Meat Packing Stalled," Labor Press Highlights, *Management Record,* June, 1956.

Apparel Industry

A much broader industrial alliance in the form of a new apparel division within the AFL-CIO is proposed by Alex Rose, president of the United Hatters, Cap and Millinery Workers. The projected division would include the needle trades unions, the Hatters, Boot and Shoe Workers, the Textile Workers, Fur Workers, Hosiery Workers, and Leather Workers. Creation of a special union label for all the unions in the division is part of the plan. Mr. Rose also indicated, according to *Labor's Daily,* that he would like to interest the Ladies' Garment Workers' Union and the Amalgamated Clothing Workers in one over-all union for the apparel industry. Total membership of such a combine is estimated at two million.

The president of the Ladies' Garment Workers' Union, David Dubinsky, has already hinted that his union would be interested in an over-all apparel division, according to *Labor's Daily*. But the newspaper says that President Potofsky of the Amalgamated Clothing Workers is cool to the proposition. The Amalgamated has already invested $2 million in promoting its own union label, and it is more immediately concerned with resolving relationships with the 40,000-member United Garment Workers (formerly AFL), according to Mr. Potofsky.

Mine Union Warns Against Wildcat Strikes

Locals of the United Mine Workers' union have been warned that wildcat strikes will bring stiff penalties, reports the *United Mine Workers Journal.* "Unwarranted stoppages" are prohibited by an executive board order of 1951. But because some locals have ignored this policy, the UMW through its *Journal* has re-emphasized that:

1. All locals must honor the provisions of the joint industry wage agreement for settlement of disputes.

2. Local unions that fail to do so and resort to unauthorized stoppages will be penalized by the United Mine Workers' executive board.

3. Locals that picket other firms not engaged in the wildcat strike will suffer double penalties.

The UMW policy statement also emphasizes that local officers or individuals promoting such unauthorized stoppages will be subject to disciplinary action.

Plan International Alliance of Auto Workers

Plans to set up coordinating councils of all General Motors and Ford employees in the United States, Europe and Australia were developed at the recent meeting of the International Metal Workers Federation in Europe, reports *Labor's Daily*. Presiding over that meeting was Victor Reuther of the United Automobile Workers. The aims of the proposed councils will be: to coordinate collective bargaining activities internationally; and to seek implementation of the forty-hour week, a common maximum standard for wages and overtime premiums, and extension of the "guaranteed annual wage."

Three Unions List Finances

Assets of the Hotel and Restaurant Employees Union were $4,713,661.14 as of April 30, 1956, reports the *Catering Industry Employee*. Total receipts for the year came to $3,896,795.84 of which $2,950,464.82 was spent.

The United Brewery Workers claim assets of $1,358,967.99 as of March 31, 1956. Receipts for the year as reported in *The Brewery Worker* came to $818,754.23, while the union spent $674,953.46.

A financial report in the *AFL Auto Worker* shows assets of $1,295,406.35 for the year ended September 31, 1955; liabilities for the same period came to $107,520.74. During the year 1955, the AFL Auto Workers' (whose name has officially been changed to Allied Industrial Workers of America) total income amounted to $1,296,994.63 and expenses took $1,257,878.56.

Harold Stieglitz
Division of Personnel Administration

Management Bookshelf

Labor Relations and Productivity in the Building Trades—How many bricks may a bricklayer lay in a day? How wide may union painters' brushes be? This book attempts to determine if there are any union-imposed restrictions on the productivity of construction workers. The authors also deal with wage levels in the building trades, apprenticeship, union security, union jurisdictional disputes in the building trades and unstable employment among construction workers. The research is based on interviews with company representatives, union officials and workers in sixteen major cities. In general, the book concludes that productivity among construction workers is high, and that union-imposed restrictions on productivity are mostly mythical. *By William Haber and Harold M. Levinson, Bureau of Industrial Relations, University of Michigan, Ann Arbor, Michigan, 1956, 266 pp. $4.75.*

The Future of American Prosperity—By the year 2000, average family income (in 1954 dollars) should increase to $11,000 as compared with $4,400 in 1950. *By Philip Wernette, The MacMillan Company, New York, 1955, $3.50.*

Food Prices Rally

CONSUMER PRICES were 0.2% higher in May than in the previous month, according to the Board's United States index. At 101.2 (1953=100), this index reached a new all-time high, and was 1.0% above the May, 1955, level.

The purchasing value of the May dollar was 98.8 cents (1953=100 cents), down 0.2 cent from April and 1 cent below last year's value.

Although the all-items figure moved up over the month, the major components of this index showed contrasting price movements. Food costs, rising 0.7%, registered the largest change, while apparel and sundries gained a slight 0.1%. Transportation declined 0.3%. Housing costs remained unchanged from April.

For the first time this year, food prices increased, with pork and fresh fruits and vegetables sparking the advance. The meat, fish and poultry index rose 1.5%, reflecting generally higher prices for beef, pork and lamb. Pork prices, continuing their recovery, were 2.5% above the April level. Beef, which has declined 5.4% since November, 1955, gained slightly, rising 0.3%. Meats have presented a much firmer price picture during May than in recent months. But fish and poultry were lower, with fish down 0.8%.

Fresh fruits and vegetables made substantial gains during the month. This group was up 3.1% with fresh fruits jumping 5.9%. Prices for apples rose substantially owing to considerable crop damage caused by April and early May freezes. Summer fruits coming into the market were also higher than they were at the end of last season. And an increase of over 10% was reported for potatoes, which pulled the fresh vegetable index up 3.5%. But good buys were available in carrots, cabbage and tomatoes. Canned fruits and vegetables were up fractionally, while frozen foods dropped slightly.

The "other food at home" index moved up 0.3%, as fats and oils continued upward with an advance of 2.1%. Margarine was 1.9% above April, with lard, shortening, and salad dressing also more expensive. Coffee prices continued their upward trend with an advance of 1.1%. Retail coffee, which is still feeling the pressure of higher green coffee prices, was almost 4% higher than three months ago. Cereal and bakery products were only 0.1% more than last month, with flour reported higher by 0.3%.

Dairy products and eggs was the only component of the food index to decline during the month. With egg prices dropping 3.5% and cheese down 0.5%, the dairy products and eggs index was off by 0.3%. A rise of 0.6% in milk and 0.4% in butter could not reverse the downward movement of the index.

Counterbalancing movements within the housing index maintained housing costs at the April level. Rents were 0.1% higher, and household operations items were up 0.2%. House furnishings and equipment, on the other hand, were down 0.2%, as lower prices were recorded for appliances. Fuel, power and water registered the greatest change, declining 0.5%, with fuel prices reported seasonally lower.

Apparel prices advanced 0.1% over the month. Higher prices for men's shirts, hose, and underwear sent men's apparel up 0.2%. Dry cleaning and shoe repair charges were also slightly higher. But offsetting these increases to some extent was the 0.1% decline in women's clothing.

Transportation costs moved down again, continuing the trend started in February. Automobile prices also declined again, although public transportation rates advanced as some cities raised fares. Public transportation rates have increased throughout the year and now stand 4.5% above May, 1955.

The 0.4% rise in medical and personal care costs helped to raise the sundries index 0.1%. At the same time, alcoholic beverages and tobacco rose 0.1%. Recreational costs, however, showed a fractional decrease during the month.

Prices Compared With a Year Ago

Compared with a year ago, consumer prices were up 1.0%, with four of the five major components showing substantial increases. Only food prices provided some consolation for the consumer; they were 0.7% lower than last year. The meat, fish and poultry index, off 5.9%, was responsible for pulling the food group down, since all the other subcomponents showed increases over the year. Dairy products and eggs, up 2.9%, registered the largest upturn. Vegetables and fruits followed with a 1.4% rise. The "other food" group was up 0.9% and cereal and bakery products rose 0.6%.

Housing costs rose 1.2% during the year, reflecting increases of 1.7% in rents, 1.6% in household operations, and 0.9% in furnishings and equipment. A rise

(Text continued on page 254)

Consumer Price Index—United States

Cities over 50,000 in population

1953 = 100

	ALL ITEMS	FOOD						HOUSING				
										Fuel, Power Water		
		Total	Meat, Fish, Poultry	Cereal, Bakery Products	Dairy Products, Eggs	Fruits, Vegetables	Other Food at Home	Total	Rent	Total	Gas	Electricity
1954 November	100.0	98.6	94.7	103.7	94.6	96.4	110.6	101.0	105.3	100.7	101.5	101.0
December	99.8	97.9	93.7	104.0	93.5	95.5	110.5	101.1	105.3	101.1	101.6	101.0
Annual Average	100.2	99.5	97.7	103.2	94.2	97.0	110.7	100.9	104.3	101.1	102.7	100.7
1955 January	99.9	98.2	94.3	104.0	92.8	97.1	110.2	101.2	105.5	102.7	104.8	100.9
February	99.9	98.2	94.4	104.2	93.6	97.4	108.8	101.2	105.5	103.1	105.2	100.9
March	100.1	98.4	94.1	104.3	94.2	99.1	107.5	101.3	105.7	103.3	105.6	101.0
April	100.1	98.3	94.3	104.3	93.0	100.7	106.5	101.5	105.8	103.5	106.5	101.1
May	100.2	98.4	94.0	104.4	91.7	104.1	105.7	101.4	105.8	102.9	106.5	101.1
June	100.2	98.3	94.6	104.4	91.5	103.5	104.6	101.4	105.8	102.7	106.7	101.2
July	100.3	98.6	94.9	104.6	92.4	103.6	104.6	101.2	106.2	101.4	103.9	101.6
August	100.3	98.2	94.5	104.7	94.5	99.1	104.7	101.5	106.2	101.8	104.2	101.7
September	100.5	98.5	94.9	104.8	96.4	97.4	105.1	101.6	106.3	102.1	104.5	101.7
October	100.7	98.6	94.0	104.8	97.4	97.7	105.5	101.9	106.5	102.6	104.5	101.8
November	100.7	98.0	91.7	104.4	97.7	98.0	105.6	102.0	106.6	102.9	105.0	101.8
December	101.0	97.9	89.9	104.4	98.3	99.7	105.9	102.1	106.8	103.2	105.3	101.8
Annual Average	100.3	98.3	93.8	104.4	94.5	99.8	106.2	101.5	106.1	102.7	105.2	101.4
1956 January	101.1	97.5	88.4	104.9	98.5	99.7	105.7	102.2	106.8	103.7	106.0	101.9
February	101.1	97.3	88.0	104.9	96.9	101.5	105.3	102.4	107.1	104.3	106.0	101.9
March	101.1	97.0	87.4	104.9	96.0	101.7	105.8	102.6	107.2	104.4	106.0	102.0
April	101.0	97.0	87.2	104.9	94.7	102.4	106.4	102.6	107.5	104.5	106.1	102.0
May	101.2	97.7	88.5	105.0	94.4	105.6	106.7	102.6	107.6	104.0	106.2	102.0

	HOUSING (continued)		APPAREL			TRANSPORTATION	SUNDRIES	PURCHASING VALUE OF DOLLAR	REBASED INDEXES		
	Furnishings, Equipment	Other Household Operations	Total	Men's Apparel	Women's Apparel				All Items (January 1939=100)	Purchasing Value of January, 1939 Dollar	All Items (1947-49 = 100)
1954 November	98.7	100.5	99.0	99.4	98.6	100.2	101.2	100.0	181.6	55.1	113.8
December	98.6	100.5	98.9	99.3	98.5	99.9	101.3	100.2	181.2	55.2	113.6
Annual Average	98.9	100.3	99.2	99.5	98.9	100.1	101.0	99.8	182.0	54.9	114.1
1955 January	98.3	100.5	98.8	99.3	98.3	100.0	101.3	100.1	181.5	55.1	113.7
February	98.0	100.5	98.8	99.3	98.2	100.1	101.3	100.1	181.5	55.1	113.8
March	98.1	100.7	98.9	99.2	98.4	100.3	101.3	100.0	181.7	55.0	113.9
April	98.3	100.7	98.9	99.2	98.4	100.2	101.5	99.9	181.8	55.0	113.9
May	98.2	100.8	98.8	99.2	98.3	100.4	101.6	99.8	181.9	55.0	114.0
June	98.2	100.6	98.8	99.2	98.2	101.3	101.8	99.8	182.1	54.9	114.1
July	98.0	100.7	98.9	99.2	98.2	100.5	102.1	99.7	182.1	54.9	114.1
August	98.3	101.0	99.2	99.6	98.5	100.6	102.3	99.7	182.2	54.9	114.2
September	98.4	101.2	99.3	99.7	98.6	100.9	102.6	99.5	182.5	54.8	114.4
October	98.7	101.4	99.4	99.6	98.7	101.3	102.7	99.3	182.9	54.7	114.6
November	98.9	101.5	99.3	99.7	98.4	102.9	102.7	99.3	182.9	54.7	114.7
December	99.2	101.7	99.3	99.7	98.3	104.7	102.9	99.0	183.4	54.5	114.9
Annual Average	98.4	100.9	99.0	99.4	98.4	101.1	102.0	99.7	182.2	54.9	114.2
1956 January	99.3	102.0	99.3	99.8	98.0	105.8	103.1	98.9	183.6	54.5	115.0
February	99.5	102.1	99.3	99.9	98.1	105.3	103.4	98.9	183.6	54.5	115.0
March	99.4	102.3	99.4	99.9	98.2	105.1	103.7	98.9	183.6	54.5	115.0
April	99.3	102.2	99.6	100.1	98.3	104.4	103.7	99.0	183.5	54.5	115.0
May	99.1	102.4	99.7	100.3	98.2	104.1	103.8	98.8	183.9	54.4	115.2

Consumer Price Index—United States

Annual averages 1914-1955[a]

1953 = 100

Year	All Items	Purchasing Value of Dollar	Year	All Items	Purchasing Value of Dollar	Year	All Items	Purchasing Value of Dollar	Year	All Items	Purchasing Value of Dollar
1914	40.3	248.1	1925	67.8	147.5	1935	53.6	186.6	1945	70.2	142.5
1915	40.0	250.0	1926	68.3	146.4	1936	54.8	182.5	1946	74.9	133.5
1916	43.0	232.6	1927	66.9	149.5	1937	57.2	174.8	1947	84.7	118.1
1917	51.3	194.9	1928	65.9	151.7	1938	55.7	179.5	1948	90.1	111.0
1918	59.5	168.1	1929	65.6	152.4	1939	55.0	181.8	1949	88.8	112.6
1919	67.6	147.9	1930	63.4	157.7	1940	55.4	180.5	1950	90.0	111.1
1920	77.8	128.5	1931	57.0	175.4	1941	58.3	171.5	1951	97.0	103.1
1921	66.8	149.7	1932	50.9	196.5	1942	64.5	155.0	1952	99.5	100.5
1922	63.6	157.2	1933	49.0	204.1	1943	68.2	146.6	1953	100.0	100.0
1923	65.4	152.9	1934	51.8	193.1	1944	69.1	144.7	1954	100.2	99.8
1924	66.1	151.3							1955	100.3	99.7

[a] Indexes from 1914 through 1919 are for the month of July only and are not annual averages.

Consumer Price Indexes for Individual Cities

These indexes show changes in consumer prices only. They do NOT show intercity differences in price level or standards of living.

Cities Surveyed Monthly

	1953 = 100			Percentage Changes	
	May 1956	Apr. 1956	May 1955	Apr. 1956 to May 1956	May 1955 to May 1956
Chicago					
All Items	104.0	103.6	102.3	+0.4	+1.7
Food	100.2	98.8	100.5	+1.4	−0.3
Housing	107.9	108.1	105.8	−0.2	+2.0
Apparel	100.4	100.3	98.4	+0.1	+2.0
Transportation	103.3	103.3	101.1	0	+2.2
Sundries	106.3	106.3	103.0	0	+3.2
Houston					
All Items	101.0	100.8	100.2	+0.2	+0.8
Food	98.2	96.7	99.5	+1.6	−1.3
Housing	102.7	102.3	101.1	+0.4	+1.6
Apparel	99.7	99.6	99.6	+0.1	+0.1
Transportation	103.1	104.4	99.3	−1.2	+3.8
Sundries	101.6	102.3	101.1	−0.7	+0.5

	1953 = 100			Percentage Changes	
	May 1956	Apr. 1956	May 1955	Apr. 1956 to May 1956	May 1955 to May 1956
Los Angeles					
All Items	100.4	100.2	99.5	+0.2	+0.9
Food	96.8	96.6	96.4	+0.2	+0.4
Housing	101.1	101.1	101.3	0	−0.2
Apparel	99.0	99.0	99.2	0	−0.2
Transportation	103.5	103.2	100.8	+0.3	+2.7
Sundries	102.4	102.1	100.4	+0.3	+2.0
New York					
All Items	101.2	101.0	100.4	+0.2	+0.8
Food	97.4	96.5	97.7	+0.9	−0.3
Housing	103.1	103.2	101.8	−0.1	+1.3
Apparel	98.1	98.1	98.2	0	−0.1
Transportation	113.0	113.0	108.2	0	+4.4
Sundries	102.1	102.6	101.3	−0.5	+0.8

Cities Surveyed Quarterly

	1953 = 100			Percentage Changes	
	May 1956	Feb. 1956	May 1955	Feb. 1956 to May 1956	May 1955 to May 1956
Akron					
All Items	102.2	101.2	100.3	+1.0	+1.9
Food	99.0	96.2	100.0	+2.9	−1.0
Housing	103.7	103.3	101.4	+0.4	+2.3
Apparel	99.5	98.1	97.7	+1.4	+1.8
Transportation	103.4	105.6	99.5	−2.1	+3.9
Sundries	105.4	104.4	101.1	+1.0	+4.3
Baltimore					
All Items	101.2	100.7	100.0	+0.5	+1.2
Food	96.8	96.3	98.4	+0.5	−1.6
Housing	101.9	101.9	100.7	0	+1.2
Apparel	101.4	100.5	100.3	+0.9	+1.1
Transportation	103.9	105.0	100.0	−1.0	+3.9
Sundries	104.9	103.0	101.5	+1.8	+3.3
Boston					
All Items	101.0	100.6	99.4	+0.4	+1.6
Food	96.9	96.0	97.8	+0.9	−0.9
Housing	102.8	102.5	100.6	+0.3	+2.2
Apparel	99.5	99.2	97.6	+0.3	+1.9
Transportation	104.2	104.4	97.7	−0.2	+6.7
Sundries	104.0	103.8	102.1	+0.2	+1.9
Chattanooga					
All Items	99.8	99.6	98.6	+0.2	+1.2
Food	95.3	94.3	96.8	+1.1	−1.5
Housing	100.9	100.7	99.5	+0.2	+1.4
Apparel	101.4	101.0	97.9	+0.4	+3.6
Transportation	103.6	105.1	98.8	−1.4	+4.9
Sundries	102.8	103.3	100.6	−0.5	+2.2
Dallas					
All Items	100.4	100.2	99.6	+0.2	+0.8
Food	98.0	96.4	99.1	+1.7	−1.1
Housing	101.0	100.8	99.9	+0.2	+1.1
Apparel	99.1	98.9	98.8	+0.2	+0.3
Transportation	101.6	103.1	98.6	−1.5	+3.0
Sundries	102.4	102.9	101.3	−0.5	+1.1
Detroit					
All Items	103.2	102.5	100.6	+0.7	+2.6
Food	102.4	99.9	99.5	+2.5	+2.9
Housing	104.0	103.9	101.6	+0.1	+2.4
Apparel	100.1	99.8	100.0	+0.3	+0.1
Transportation	102.6	104.7	99.0	−2.0	+3.6
Sundries	105.4	104.7	102.1	+0.7	+3.2

	1953 = 100			Percentage Changes	
	May 1956	Feb. 1956	May 1955	Feb. 1956 to May 1956	May 1955 to May 1956
Duluth-Superior					
All Items	102.2	101.1	100.5	+1.1	+1.7
Food	100.4	97.2	98.4	+3.3	+2.0
Housing	103.5	103.5	102.1	0	+1.4
Apparel	98.6	98.0	98.4	+0.6	+0.2
Transportation	103.6	104.5	101.3	−0.9	+2.3
Sundries	103.8	102.4	101.9	+1.4	+1.9
Richmond					
All Items	101.0	100.8	99.9	+0.2	+1.1
Food	97.2	96.2	97.3	+1.0	−0.1
Housing	102.7	102.4	101.0	+0.3	+1.7
Apparel	99.8	99.5	98.6	+0.3	+1.2
Transportation	102.5	104.2	99.9	−1.6	+2.6
Sundries	103.6	103.6	102.7	0	+0.9
Rochester					
All Items	101.6	101.1	100.6	+0.5	+1.0
Food	102.3	99.5	101.6	+2.8	+0.7
Housing	100.8	100.9	100.0	−0.1	+0.8
Apparel	98.7	98.6	99.0	+0.1	−0.3
Transportation	102.8	103.8	100.3	−1.0	+2.5
Sundries	102.7	103.3	101.2	−0.6	+1.5
St. Louis					
All Items	100.9	100.3	99.8	+0.6	+1.1
Food	98.7	96.8	97.4	+2.0	+1.3
Housing	101.2	101.4	100.5	−0.2	+0.7
Apparel	100.4	99.6	99.5	+0.8	+0.9
Transportation	103.4	104.4	102.4	−1.0	+1.0
Sundries	102.4	102.0	101.0	+0.4	+1.4
San Francisco-Oakland					
All Items	102.7	102.0	102.0	+0.7	+0.7
Food	100.4	99.5	102.5	+0.9	−2.0
Housing	103.2	102.8	102.2	+0.4	+1.0
Apparel	100.3	100.5	99.1	−0.2	+1.2
Transportation	102.7	103.1	101.3	−0.4	+1.4
Sundries	106.6	104.5	103.1	+2.0	+3.4
Wilmington					
All Items	101.3	100.8	99.6	+0.5	+1.7
Food	97.2	94.6	96.5	+2.7	+0.7
Housing	102.7	103.0	101.1	−0.3	+1.6
Apparel	101.6	101.3	99.0	+0.3	+2.6
Transportation	102.1	104.2	99.9	−2.0	+2.2
Sundries	104.5	104.1	101.9	+0.4	+2.6

(Text continued from page 251)

of 1.1% was registered by fuel, power and water, with electricity rates rising 0.9%. But, during this same period, gas rates declined 0.3%.

The advance of 1.1% in men's clothing prices over the year sent the apparel index up 0.9%. Women's apparel, however, declined 0.1% from last year.

The transportation index, up 3.7%, showed the greatest advance over the year. This substantial increase resulted from continuously higher costs for public transportation and automobile maintenance. The sundries index was up 2.2%, reflecting a 3.1% and 4.8% rise in the costs of medical and personal care.

Dairy Products and Eggs

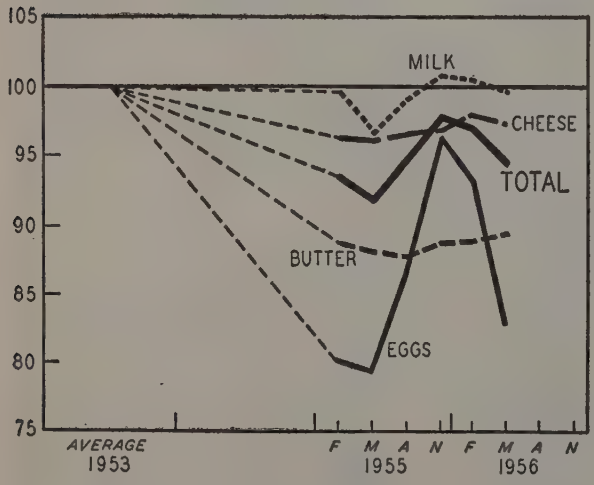
The accompanying chart illustrates the price behavior of selected items included in the dairy products and eggs index since February, 1955. The indexes have been plotted on a quarterly basis (February, May, August, and November) with the broken line indicating the level of the items in February, 1955, compared to the average of 1953.

The index for the group as a whole was 0.9% above the February, 1955, level. As can be seen from the chart, this index has generally followed the price trends established by eggs and milk, although egg prices have shown much sharper fluctuations. After reaching an all-time low in May, 1955, egg prices had gained approximately 20% by November of that year. But, since then, as can be seen on the chart, they have dropped almost the same percentage.

Milk during this period has shown much greater stability, although there has been some seasonal variation. Since families spend more for milk than any other food in this group, it is the most heavily weighted item in the average. Therefore, milk has been able to hold the dairy products and eggs index relatively stable in the face of the marked fluctuations in egg prices.

Dairy Products and Eggs Index—Selected Items

1953 = 100



Butter and cheese prices during this period have shown greater stability. In February, 1955, butter prices had dropped far below the 1953 average, as shown on the chart, but then they steadied. And they have remained stable ever since. Cheese prices have fallen only a few points since 1953.

Harry S. Denning
Statistical Division

Work Standards

(Continued from page 242)

ods time measurement, basic motion, time, and work factor—have been developed to assist and to expedite the standard-setting program. Work sampling or ratio delay (a statistical technique for economically accumulating the volume of data required to provide representative samples for standards on certain nonrepetitive work) is performing yeoman service. And statistical formulas have been developed for predicting the level of machine interference on multiple machine assignments. In other words there has already been some progress in the development and improvement of management techniques in this field.

Dynamic management, however, will not be content to rest on its laurels. Much more needs to be done and much more will be done. For example, the industrial engineer is constantly searching for ways to reduce, if not eliminate, the need for the subjective judgment that is still required in all current work-measurement techniques. And research continues in attempts to evaluate physiological and psychological factors related to productivity. While only limited progress has been made in this area, particularly in the translation of the empirical results into usable shop techniques, there is hope that the combined efforts of industry, medicine and education can accomplish this goal.

The statistician is making his entrance upon the scene and is being welcomed in the hope that advanced statistical techniques can be employed as stepping-stones in our progress toward complete objectivity in work measurement. Whether the evolution of this new objective technique will result in significantly different standards from those which are established through current procedures is, of course, questionable. If such a technique results in nothing more than winning employee confidence, a great deal will have been accomplished and the effort well spent.

Similar strides may be expected in all areas of management. Management will continue searching for the better way—the better way to build the product, the better way to employee relations, and the better way to do its own job.

Significant Labor Statistics

Item	Unit	1956					1955		Year Ago	Percentage Change	
		May	April	March	Feb.	Jan.	Dec.	Nov.		Latest Month over Previous Month	Latest Month over Year Ago
nsumer Price Indexes											
l Items	1953 = 100	101.2	101.0	101.1	101.1	101.1	101.0	100.7	100.2	+0.2	+1.0
Food	1953 = 100	97.7	97.0	97.0	97.3	97.5	97.9	98.0	98.4	+0.7	−0.7
Housing	1953 = 100	102.6	102.6	102.6	102.4	102.2	102.1	102.0	101.4	0	+1.2
Apparel	1953 = 100	99.7	99.6	99.4	99.3	99.3	99.3	99.3	98.8	+0.1	+0.9
Transportation	1953 = 100	104.1	104.4	105.1	105.3	105.8	104.7	102.9	100.4	−0.3	+3.7
Sundries	1953 = 100	103.8	103.7	103.7	103.4	103.1	102.9	102.7	101.6	+0.1	+2.2
Purchasing Value of Dollar	1953 dollars	98.8	99.0	98.9	98.9	98.9	99.0	99.3	99.8	−0.2	−1.0
(*BLS*) All Items	1947–1949 = 100	115.4	114.9	114.7	114.6	114.6	114.7	115.0	114.2	+0.4	+1.1
nployment Status[1]											
Civilian labor force	thousands	67,846	66,555	65,912	65,491	65,775	66,592	67,206	65,192	+1.9	+4.1
Employed	thousands	65,238	63,990	63,078	62,577	62,891	64,165	64,807	62,703	+2.0	+4.0
Agriculture	thousands	7,146	6,387	5,678	5,470	5,635	5,884	6,920	6,963	+11.9	+2.6
Nonagricultural industries	thousands	58,092	57,603	57,400	57,107	57,256	58,281	57,887	55,740	+0.8	+4.2
Unemployed	thousands	2,608	2,564	2,834	2,914	2,885	2,427	2,398	2,489	+1.7	+4.8
age Earners[2,3]											
Employees in nonagr'l establishm'nts	thousands	*p* 50,999	*r* 50,803	*r* 50,499	*r* 50,246	49,615	51,311	50,629	49,494	+0.4	+3.0
Manufacturing	thousands	*p* 16,641	*r* 16,759	*r* 16,764	*r* 16,824	16,842	17,026	17,049	16,337	−0.7	+1.9
Mining	thousands	*p* 794	*r* 789	*r* 783	*r* 780	747	754	754	764	+0.6	+3.9
Construction	thousands	*p* 3,030	*r* 2,847	*r* 2,669	*r* 2,588	2,267	2,422	2,580	2,790	+6.4	+8.6
Transportation and public utilities	thousands	*p* 4,140	*r* 4,120	*r* 4,106	*r* 4,083	4,089	4,165	4,143	3,998	+0.5	+3.6
Trade	thousands	*p* 10,951	*r* 10,922	*r* 10,931	*r*10,819	10,833	11,753	11,126	10,604	+0.3	+3.3
Finance	thousands	*p* 2,295	*r* 2,279	*r* 2,265	*r* 2,250	2,214	2,219	2,213	2,195	+0.7	+4.6
Service	thousands	*p* 6,037	*r* 5,978	*r* 5,859	*r* 5,818	5,603	5,657	5,690	5,888	+1.0	+2.5
Government	thousands	*p* 7,111	*r* 7,109	*r* 7,122	*r* 7,084	7,020	7,315	7,074	6,918	0[a]	+2.8
Production and related workers in mfg. employment											
All manufacturing	thousands	*p* 12,985	*r* 13,113	*r* 13,125	*r* 13,212	13,272	13,464	13,498	12,873	−1.0	+0.9
Durable	thousands	*p* 7,586	*r* 7,671	*r* 7,621	*r* 7,692	7,758	7,847	7,839	7,520	−1.1	+0.9
Nondurable	thousands	*p* 5,399	*r* 5,442	*r* 5,504	*r* 5,520	5,154	5,617	5,659	5,353	−0.8	+0.9
Average weekly hours											
All manufacturing	number	*p* 40.0	*r* 40.3	40.4	40.5	40.6	41.3	41.2	40.8	−0.7	−2.0
Durable	number	*p* 40.6	*r* 41.1	41.0	41.0	41.2	41.9	41.9	41.6	−1.2	−2.4
Nondurable	number	*p* 39.1	*r* 39.2	39.6	39.8	39.8	40.4	40.3	39.6	−0.3	−1.3
Average hourly earnings											
All manufacturing	dollars	*p* 1.96	*r* 1.96	1.95	1.93	1.93	1.93	1.93	1.87	0	+4.8
Durable	dollars	*p* 2.08	*r* 2.08	2.06	2.05	2.06	2.06	2.06	1.99	0	+4.5
Nondurable	dollars	*p* 1.80	*r* 1.79	1.78	1.75	1.75	1.74	1.74	1.70	+0.6	+5.9
Average weekly earnings											
All manufacturing	dollars	*p* 78.40	*r* 78.99	78.78	78.17	78.36	79.71	79.52	76.30	−0.7	+2.8
Durable	dollars	*p* 84.45	*r* 85.49	84.46	84.05	84.87	86.31	86.31	82.78	−1.2	+2.0
Nondurable	dollars	*p* 70.38	*r* 70.17	70.49	69.65	69.65	70.30	70.12	67.32	+0.3	+4.5
Straight time hourly earnings (estimated)											
All manufacturing	dollars	*p* 1.91	*r* 1.90	1.89	1.87	1.87	1.86	1.86	1.81	+0.5	+5.5
Durable	dollars	*p* 2.01	*r* 2.01	1.99	1.98	1.98	1.97	1.97	1.91	0	+5.2
Nondurable	dollars	*p* 1.76	*r* 1.75	1.74	1.71	1.71	1.69	1.69	1.66	+0.6	+6.0
rnover Rates in Manufacturing[2]											
Separations	per 100 employees	*p* 3.7	3.4	3.5	3.6	3.6	3.0	3.1	3.2	+8.8	+15.6
Quits	per 100 employees	*p* 1.6	1.5	1.4	1.3	1.4	1.1	1.4	1.5	+6.7	+6.7
Discharges	per 100 employees	*p* 0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0	0
Layoffs	per 100 employees	*p* 1.6	1.4	1.6	1.8	1.7	1.4	1.2	1.1	+14.3	+45.5
Accessions	per 100 employees	*p* 3.3	3.3	3.1	3.1	3.3	2.5	3.3	3.8	0	−13.2

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ureau of the Census.

ureau of Labor Statistics.

he BLS has adjusted its nonfarm employment and hours and earnings series to first uarter 1955 benchmark levels. The benchmark level is the total count of workers overed in each industry, and in this instance the data were received from government ocial insurance programs. The adjustment affects all figures since February, 1956. djusted figures for months prior to February, 1956 have not been received; the gures for these months published above are adjusted to first quarter 1954 benchmark evels.

p Preliminary
na Not available.
a Less than .05.

r Revised

Group Thinking

(*Continued from page 237*)

when there is acceptance of this fact. As the training manager of a large auto equipment producer says:

> "The biggest problem we have in these meetings is what I call an originality complex. Some people won't accept an idea that isn't entirely unique, and the most common killer phrase I know is 'there's nothing new here.' After leading a few of these sessions you begin to realize that the best ideas are adaptations of other ideas."

8. Do not promise to put any ideas into effect. The aim of a creative thinking session is to exercise minds, not to overhaul the company. It is entirely unnecessary, warn managers who have led creative thinking sessions, to make promises which cannot be kept.

9. Keep the number of participants down to fifteen. Most managers who have led creative thinking groups find that best results are obtained when the size of the group is such that each participant is able to speak several times. Usually a group of ten or fifteen people is considered adequate for this purpose.

10. Finally, it is advisable to fit the method to the objective of the session. For example, if the aim of holding the session is to develop creative attitudes, brainstorming usually offers a dramatic demonstration of the possibilities of creative thinking. If, on the other hand, participants need to develop skills in presenting ideas clearly and in sticking to projects until completed, GE's creative engineering disciplines offer a direct approach to these skills. Finally, if a single, unique solution is wanted, the Gordon technique permits an imaginative departure from conventional, stereotyped thinking.

RESULTS OF GROUP SESSIONS

Although there are many champions of group creative thinking in industry, there are also vocal dissenters. And many companies have decided against offering group creative thinking on company time. They express several objections to its use.

For one thing, these companies consider it unrealistic. By assuming that everyone can be more creative, they say, it ignores the basic difference in human capabilities.

Creative thinking sessions take time, they point out. Since it is impossible to measure the effectiveness of the courses, the value of the time spent in these sessions must be accepted pretty much on faith.

Finally, many managers base their objection to creative thinking on intellectual grounds. They have too much respect for the lone inventor to let his place be usurped by "the herd." Also, they express a distaste for the idea of soft pedaling critical judgement.

But, taking a very different view, are more than forty companies, including Monsanto, IBM, Kodak, and Union Carbide, that are experimenting with group creative thinking techniques. Managers from these companies do not expect immediate results from the sessions. But they do look for some long-term advantages. Five features of creative thinking give rise to these hopes.

The sessions tend to promote progressive, forward thinking. By dramatizing the importance of *new* methods and *new* products, creative thinking sessions encourage people to think in terms of tomorrow's needs. As a result, they keep product leaders from resting on their laurels. The training director of a company employing over 220,000 persons reports:

> "In a company of this size we're always faced with the problem of providing the moral equivalent of competition. We're well established, which means that we could easily coast for several years, if we wanted to. We don't because our goals are in the future. Creative thinking helps to keep this attitude alive."

Some companies that use creative thinking sessions report that they already have greater participation in their suggestion systems. Because creative thinking stresses the ability of everyone to contribute ideas, employees take a new interest in the suggestion box. One eastern company, for instance, considers this ability to make employees enthusiastic about submitting ideas one of the best features of group creative thinking sessions. Also, by stressing the importance of ideas, creative thinking helps make supervisors and suggestion committees more receptive to the ideas they will be judging. And as ideas can die easily if the people coming into contact with them do not recognize their importance, the effect of this new attitude is often felt throughout the organization.

Another positive effect of these sessions is that employees tend to identify themselves more closely with the company and its objectives. By its emphasis on a partnership in the search for better methods and products, creative thinking keeps alive the picture of the company as a progressive, forward looking concern.

Several companies also report that conferences run more smoothly after exposure to creative thinking techniques. Because creative thinking focuses attention on objectives and on amassing as many ways as possible to reach the objectives, it tends to avoid time-consuming debate over the pros and cons of a single course of action. As a result, many managers find their conferences becoming more productive.

Finally, it aids communication between departments. It encourages the exchange of problems and ideas. And thus creative thinking helps to keep the lines of information open.

Scott Nicholson
Division of Personnel Administration

Wage Adjustments Announced Prior to June 15, 1956

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Apparel				
Clothing Manufacturers' Assn. New York, N. Y. *Amalgamated Clothing Workers, AFL-CIO*	150,000 WE 5-2-56	$.125 per hr. to employees whose vacation pay is based on a 40-hr. wk.; $.139 per hr. to employees whose vacation pay is based on 36-hr. wk.	Increased company contribution to union ins. fund	Open end contract
Chemicals and Allied Products				
Goodyear Tire & Rubber Co. Pathfinder Chemical Div. Niagara Falls, N. Y. *Oil, Chemical and Atomic Workers, AFL-CIO—WE* *No union—S*	180 WE 4-9-56 62 S 5-16-56	$.075 per hr., add'l. $.075 per hr. 8-6-56—WE; $26 per mo. or 7% of base salary, whichever is higher—S	None	Result of voluntary wage reopening to follow area pattern. Contract expires 8-6-57—WE Tandem adj.—S
Rohm & Haas Company Philadelphia, Pa. *Operating Engineers, AFL-CIO*	*n.a.* 6-1-56	4¼% retroactive to 2-13-56; add'l. 3%, 2-57	(1) Protective clothing for employees' safety provided by company (2) Provisions on overtime and emergency call-in pay clarified	Result of contract expiration. Contract term—2 yrs.
ommunications				
New York Telephone Co. New York, N. Y. *Telephone unions: Traffic, Commercial, and Upstate Employees Assn.—all ind.*	11,800 WE 4-56	$3 per wk.	Increased benefits payable to dependents in case of death	Result of contract expiration. Contract term—1 yr.
lectrical Machinery, Equipment nd Supplies				
Erie Resistor Corp. Erie, Pa. *IUE, AFL-CIO*	900 WE *n.a.* S 4-1-56	$.10 per hr. av.—WE; $3 per wk., or 3%, whichever is higher—S	(1) Improved group ins. plan (2) 2 time for hrs. worked in excess of 10 hrs. on Sat. (3) Funeral leave pay	Result of wage reopening. Contract expires 3-31-57
General Electric Company[1] Interstate *UE, ind.*	14,000 WE 1,200 S 4-2-56	(1) Base rates increased in amts. ranging from $.005 to $.12 per hr. for hourly employees and from $.20 to $4.80 per wk. for salaried employees (2) Add'l. 3% ($.045 per hr. min.); Add'l. 3% ($.045 per hr. min.) 9-15-56 and 9-15-57; Add'l. 3.48% ($.05 per hr. min.) 9-15-58; add'l. 3.46% ($.05 per hr. min.) 9-15-59	(1) Escalator cost of living formula (2) Increased company contribution to pension plan (3) Improved hospital-medical-surgical plan, including catastrophe ins. up to $15,000 (4) Funeral leave pay (5) Improved vacations for employees with from 10 to 15 yrs.' service	Result of contract expiration. Contract term—4½ yrs. Reopening for discussion of employment security in Oct., 1958
Philco Corporation Philadelphia, Pa. *IUE, AFL-CIO—WE* *No union—S*	5,102 WE 5-1-56 4,124 S 4-30-56	3% WE & S ($.05 per hr. min.—WE; $2 per wk. min.—S)	(1) Improved life, sick and accident ins. (2) Improved vacation allowance (3) Severance pay increased $.02 per hr. after 1-1-57 (4) Fund est. for inequity adj.	Result of contract expiration. Contract term 1 yr.—WE Tandem adj.—S
Ward Products Company Cleveland, Ohio *UE, ind.*	122 WE 4-16-56	$.078 per hr., add'l. $.073 per hr. 1957	(1) Add'l paid hol. (2) Prorated vacations of from 2 to 3 wks. for service between 5 and 15 yrs.	Result of wage reopening. Contract expires 6-30-58

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[1] In the June *Management Record*, the General Electric Company contract was erroneously reported as being retroactive to 9-15-55. The correct date is shown above, along with other main features of the contract

Wage Adjustments Announced Prior to June 15, 1956—Continued

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Fabricated Metal Products				
Anaconda Aluminum Co. Columbia Falls, Mont. *Aluminum Workers, AFL-CIO*	489 WE Retroactive to 10-1-55 (signed 4-10-56)	17.6% av.	(1) 2 time for hols. worked. 1½ time for Sun. (2) 1 wk's. paid vacation each yr. up to 5; 2 wks. thereafter (3) Hospitalization 50% company paid	First contract. Contract term—2 yrs.
Dahlstrom Metallic Door Co. Jamestown, N. Y. *UE, ind.*	550 WE 4-1-56	$.10 per hr.	Increased hospitalization	Result of contract expiration. Contract term—1 yr.
W. A. Lausterer Company Philadelphia, Pa. *UE, ind.*	*n.a.* 4-16-56	$.12 per hr.	None	Result of contract expiration. Contract term—1 yr.
Food and Kindred Products				
California Brewers Assn. Statewide Cal. *Teamsters, AFL-CIO*	8,000 WE 4-1-56	$.133 per hr., add'l $.133 per hr. 4-1-57	4 wks.' vacation after 20 yrs.	Result of contract expiration. Contract term—2 yrs.
Detroit Creamery Company Ovid and Alma, Mich. *Dairy Workers, AFL-CIO*	62 WE 7-15-56	See fringe benefits	Reduction of workweek to 42½ hrs. (5 days) from 48 hrs. (6 days); further reduction to 40 hrs. (5 days) 12-2-57, all at no reduction in pay	Result of contract expiration. Contract term—3 yrs.
General Mills, Inc. Buffalo, N. Y. *Chemical Workers, AFL-CIO*	98 WE 5-14-56	$.06 per hr.	*n.a.*	*n.a.*
Chicago, Ill. *Grain Millers, AFL-CIO*	24 WE 6-1-56	$.08 per hr., add'l. $.06 per hr. 6-1-57	*n.a.*	*n.a.*
Minneapolis, Minn. *Operating Engineers, AFL-CIO*	4 WE 5-1-56	$.14 per hr., add'l. $.04 per hr. 11-1-56 and $.03 add'l 11-1-57	*n.a.*	*n.a.*
Pillsbury Mills, Inc. Louisville, Ky. *Grain Millers, AFL-CIO*	600 WE 5-1-56	$.06 per hr., add'l.; $.02 per hr. 11-1-56 and $.06 add'l. 5-1-57	None	Result of contract expiration. Contract term—2 yrs.
Lumber				
Coos Bay Lumber Company Coos Bay, Millington, and Bunker Hill, Ore. *Woodworkers, AFL-CIO*	650 WE 5-1-56	4.25%. New base rate of $1.98 per hr. est.	(1) 2 wks.' vacation after 3 yrs. instead of 5 (2) 3 add'l. paid hols.—total 6	Result of contract expiration. Contract term—3 yrs.
Machinery (except Electrical)				
Chain Belt Company Milwaukee, Wis. *Steelworkers, AFL-CIO*	1,360 WE 5-1-56	$.122 per hr. av. for hourly workers; $.10 per hr. av. for incentive workers. Add'l 3% for all workers 5-1-57	(1) Improved vacations for employees with over 10 yrs.' service (2) Add'l paid hol. (2 half days) (3) Blue Cross extended to 120 days' coverage (4) Increased sick and accident benefits (5) Increased pension benefits	Result of contract expiration. Contract term—2 yrs.
Greenfield Tap & Die Co. Greenfield, Mass. *UE, ind.—WE* *No union—S*	961 WE 273 S 5-7-56	$.104 per hr. av.—WE; $.118 per hr.—S	None	Result of wage reopening. Contract expires 4-15-57—WE Tandem adj.—S
Milwaukee Crane & Service Co. Cudahy, Wis. *Ironworkers, AFL-CIO*	300 WE 4-2-56	$.10 per hr.; min. rates est.	(1) Add'l. ½ hol.—Xmas Eve. (2) 3 wks.' vacation after 15 yrs. (3) ⅔ of group ins. cost company paid	First contract. Contract term—1 yr.

Wage Adjustments Announced Prior to June 15, 1956—Continued

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Universal Winding Company Providence, R. I. *Machinists, AFL-CIO*	850 WE 4-30-56	$.064 per hr. av. for nonincentive workers; $.056 per hr. av. for incentive workers	(1) 50% of hospital-surgical cost company paid. After 4-29-57 total cost company paid (2) Hol. pay for incentive workers eff. 4-29-57 (3) Upgrading of certain job classifications (4) 3 days' funeral leave pay	Result of contract expiration. Contract term—2 yrs.
Washington Metal Trades, Inc. Seattle, Wash. *Machinists, AFL-CIO*	2,200 WE 4-1-56	5.5%	3 wks.' vacation after 15 yrs.	Result of contract expiration. Contract term—1 yr.
per and Allied Products				
A & P Corrugated Paper Box Co. Lawrence, Mass. *Paper Makers, AFL-CIO*	77 WE 4-1-56	$.10 per hr.	Noncontributory ins. and Blue Cross	Result of contract expiration. Contract term—1 yr.
Bemis Bro. Bag Co. Peoria, Ill. *Paper Makers, AFL-CIO*	500 WE 5-1-56	5% general	(1) 3 wks.' vacation after 15 yrs. (2) Shift premium increased by $.05 per hr. on 2nd shift and $.10 on 3rd	Result of contract expiration. Contract term—1 yr.
Omaha, Neb. *Textile Workers, AFL-CIO*	175 WE 3-8-56	4%; add'l. 2% 3-9-57	None	Result of contract expiration. Contract term—2 yrs.
John A. Manning Paper Co., Inc. Troy, N. Y. *Paper Makers, AFL-CIO*	*n.a.* 6-1-56	$.12 per hr.	Shift premium on 3rd shift increased to $.20 from $.15	Result of contract expiration. Contract term—1 yr.
Rogers Corporation Rogers and Manchester, Conn. *Paper Makers, AFL-CIO—WE* *No union—S*	325 WE 75 S 4-1-56 and 7-1-56	$.05 per hr.; add'l. $.05 per hr. 10-1-56—WE & S	(1) Life ins. equal to one yr.'s wages—WE & S (2) Improved group ins. for comprehensive medical and hosp. expense—WE & S	Result of contract expiration. Contract term—1 yr.—WE. Tandem adj.—S
The Upson Wallboard Co. Lockport, N. Y. *Retail, Wholesale and Department Store Union, AFL-CIO*	225 WE 4-2-56	$.05 per hr.; add'l. $.06 per hr. 4-1-57 and 3-31-58	(1) Hospitalization increased to $12.50 per day from $10. Surgical increased to $300 from $200 (2) Improved pension plan	Result of contract expiration. Contract term—3 yrs.
blic Utilities				
Cincinnati Gas & Electric Company Cincinnati, Ohio *IBEW, AFL-CIO*	1,701 WE 4-1-56	4.9%	(1) Liberalized vacation provisions (2) Shift premiums increased to $.06 and $.12 from $.05 and $.10	Result of contract expiration. Contract term—2 yrs.
Monmouth Consolidated Water Co. Long Branch, N. J. *Utility Workers, AFL-CIO*	90 WE 4-4-56	6.5%; add'l. 3% 4-4-57	(1) Permanent total disability benefits (2) Revised plan of temporary disability benefits (3) Shift premiums increased to $.07 and $.14 from $.05 and $.10	Result of contract expiration. Contract term—2 yrs.
New Haven Water Co. Branford, New Haven and Milford, Conn. *District 50, UMWA, ind.*	200 WE 4-15-56	$.10 per hr.	Extended hospital benefits	Result of contract expiration. Contract term—1 yr.

Wage Adjustments Announced Prior to June 15, 1956—Continued

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Peoples Gas Light and Coke Co. Chicago, Ill. *Gas Workers, AFL-CIO*	2,750 WE 5-1-56	$.123 per hr. (5.6%)	(1) Improved noncontributory pension plan including vesting rights at age 45 with 15 or more yrs. of service (2) Improved contributory group life ins. (3) Contributory hospitalization	Result of contract expiration. Contract term—1 yr. Pension agreement—5 yrs.
Portland Gas & Coke Company Portland, Ore. *Chemical Workers, AFL-CIO—WE* *Office Employees, AFL-CIO—S*	600 WE 240 S 4-1-56	$.109 per hr. av., or 5.1%—WE; 5.5%—S	(1) Shift premiums increased to $.10 and $.15 from $.07 and $.12—WE & S (2) Funeral leave pay—WE (3) 4 wks.' vacation after 20 yrs. beginning 4-1-57—WE & S (4) Meal allowance—S	Result of contract expiration. Contract term—1 yr.
Salt River Valley Water Users Assn. Phoenix, Ariz. *IBEW, AFL-CIO—WE* *No union—S*	475 WE 75 S 4-1-56	5% WE; 7% S	(1) 2½ times pay for hols. worked—WE (2) Compensatory time off up to 1 full day after emergency work immediately preceding regular workday—WE	Result of contract expiration. Contract term—1 yr.—WE; Annual salary review—S
Southern California Gas Co. Los Angeles, Cal. *Southern California Professional Engineers Assn., ind.*	*n.a.* 5-1-56 (retroactive to 4-1-56, wages only)	5%	(1) Min. increase at time of promotion advanced to $2 from $1 (2) Upward adj. in certain job classifications (3) Merit progression plan est. for overtime in exempt classifications	Result of contract expiration. Contract term—1 yr.
Services				
Cleaners and Dyers Board of Trade New York City and Westchester County, N. Y. *Amalgamated Clothing Workers, AFL-CIO*	1,000 WE 4-1-56	$.05 per hr. and $2.50 per wk. for production workers; $1.87 per wk. av. for drivers	None	Result of contract expiration. Contract term—2 yrs.
Stone, Clay and Glass Products				
Alpha Portland Cement Co. Easton, Pa. *Cement, Lime and Gypsum Workers, AFL-CIO*	290 WE 5-1-56	$.18 per hr.	(1) Increased group ins. (2) 7th paid hol.	Result of contract expiration. Contract term—1 yr.
Lehigh Portland Cement Co. Interstate *Cement, Lime and Gypsum Workers, AFL-CIO—WE* *No union—S*	3,100 WE 900 S 5-1-56 and 4-1-56	$.18 per hr.—WE 10%—S	(1) Life ins. increased to $4,000 from $2,000—WE & S (2) Liberalized group ins. including hospital, surgical, and sick and accident benefits—WE & S	Result of contract expiration. Contract term—1 yr. Tandem adj.—S
Marquette Cement Manufacturing Co. Des Moines, Ia.; Oglesby, Ill.; Cape Girardeau, Mo.; Nashville and Cowan, Tenn.; Rockmart, Ga.; Brandon, Miss. *Cement, Lime and Gypsum Workers, AFL-CIO*	1,500 WE 5-1-56 and 4-1-56	$.18 per hr.	(1) 7th paid hol. (2) Liberalized group ins.	Result of contract expiration. Contract term—1 yr.
Pennsylvania-Dixie Cement Corp. Clinchfield, Ga.; Kingsport and Richard City, Tenn.	1,300 WE 5-1-56	$.18 per hr.	(1) 7th paid hol. (2) Liberalized hospital-medical-surgical ins.	Same as above

(Continued on next page)

Wage Adjustments Announced Prior to June 15, 1956—Continued

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Nazareth and Bath, Pa.; Buffalo, N. Y.; West Des Moines, Ia. *Cement, Lime and Gypsum Workers, AFL-CIO*			(3) Life ins. provisions for retired employees (4) Increased life ins. coverage	
xtile Mill Products				
Angus Park Woolen Company Hanover, Conn. *Textile Workers, AFL-CIO*	180 WE 5-1-56	$.125 per hr.	(1) Group surgical increased to $225 max. from $150 (2) Group life decreased from $1,500 to $1,000	Result of contract expiration. Contract term—2 yrs.
The Barre Wool Combing Company, Ltd. South Barre, Mass. *Textile Workers, AFL-CIO*	750 WE 4-30-56	$.12 per hr.	None	Result of contract expiration. Contract term—1 yr.
Branch River Wool Combing Co. Woonsocket, R. I. *Textile Workers, AFL-CIO*	400 WE 5-1-56	$.12 per hr.	None	Same as above
Charlton Woolen Company Charlton City, Mass. *Textile Workers, AFL-CIO*	210 WE 4-30-56	$.12 per hr.	None	Result of contract expiration. Contract term—2 yrs.
Nashua Textile Co., Inc. Nashua, N. H. *Textile Workers, AFL-CIO*	368 WE 4-16-56	6½%	Cost of living adj. reduced from $.05 to $.03 an hr.	Result of wage reopening. Contract expires 4-16-58
Puritan Looms Philadelphia, Pa. *Textile Workers, AFL-CIO*	100 WE 5-3-56	$.08 per hr.	(1) Add'l. paid hol. (2) Life ins. increased to to $1,000 from $500	Result of contract expiration. Contract term—1 yr.
F. C. Huyck & Sons Rensselaer, N. Y. *Textile Workers, AFL-CIO*	750 WE 4-1-56	$.01 per hr.; cost of living frozen into base rate	(1) Life ins. of $1,000 continued by company after retirement (3) Funeral leave pay	Result of wage reopening. Contract expires 10-1-56
Strong Hewat & Co., Inc. North Adams, Mass. *Textile Workers, AFL-CIO*	270 WE 4-30-56	$.06 per hr., add'l. $.065 per hr. 9-3-56	Still under discussion	Result of contract expiration. Contract term—1 yr.
Waumbec Mills, Inc. Manchester, N. H. *Textile Workers, AFL-CIO—WE* *No union—S*	1,000 WE *n.a.* S 4-16-56	6.5% WE & S	None	Result of contract expiration. Contract term—2 yrs. —WE. Tandem adj.—S
Wyandotte Worsted Co. Waterville, Me.; Rochester, N. H.; Pittsfield, Mass.; Central Village, Conn. *Textile Workers, AFL-CIO*	1,400 WE 5-7-56	$.12 per hr.	None	Result of wage reopening. Contract expires 4-30-57
ansportation				
Akron Transportation Co. Akron, Ohio *Transport Workers, AFL-CIO*	*n.a.* WE & S 4-1-56	$.05 per hr., add'l. $.05 per hr. 10-1-56	Company contribution to health and welfare plan increased to $9.75 per mo. from $4 for employees with dependents and to $8 per mo. for single employees	Result of contract expiration. Contract term—1 yr.
ansportation Equipment				
Douglas Aircraft Co. Santa Monica, El Segundo and Long Beach, Cal. *Teamsters, AFL-CIO*	175 WE Retroactive to 10-17-55 (signed 4-23-56)	$.15 per hr. general, add'l. $.07 per hr. 4-1-57 and 3-31-58	(1) 3 wks.' vacation after 12 yrs. instead of 15 (2) Jury duty pay (3) 2nd shift bonus increased to $.12 from $.08 (4) Beginning 6-56 company contribution of	Result of contract expiration. Contract term—3 yrs.

(Continued on next page)

Wage Adjustments Announced Prior to June 15, 1956—Continued

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
			$8.65 per mo. per employee to the Western Conference of Teamsters' pension fund. Contribution increased to $17.30 per mo. per employee beginning 6-57	
McDonnell Aircraft Corp. St. Louis, Mo. *Machinists, AFL-CIO*	8,900 WE 5-7-56	$.1025 per hr. av., or 5%; add'l. $.07 per hr. 5-6-57. Inequity increase of about $.13 per hr.	(1) 3rd wk. vacation after 15 yrs. for 1st yr. of contract, after 12 yrs. for 2nd yr. of contract (2) Paid sick leave provisions (3) 2nd shift premium increased to 7%, 3rd shift to 4% (4) Week-end bonus increased	Result of contract expiration. Contract term—2 yrs.
Rheem Manufacturing Co. Downey Aircraft Div. Los Angeles, Cal. *Steelworkers, AFL-CIO—WE* *No union—S*	2,000 WE 600 S 4-15-56	5.5% WE 6% S	(1) Add'l. paid hol. (2 half days)—WE & S (2) 2 time for hols. worked—WE & S	Result of contract expiration. Contract term—2 yrs.—WE. Tandem adj.—S
Rohr Aircraft Corp. Chula Vista and Riverside, Cal. *Machinists, AFL-CIO*	5,000 WE 4-16-56	4%, 5%, or 6%, depending upon labor grade; add'l. $.07 per hr. 4-15-57	(1) 2nd shift premium increased to $.12 from $.08 (2) Area adj. provisions (3) Improved sick leave (4) Increased vacations for employees with 12 yrs.' service (5) Increase in major medical coverage (6) Jury duty pay (7) Pension plan to be negotiated and put into effect 1-1-58	Result of contract expiration. Contract term—2 yrs.

CANADIAN ADJUSTMENTS

Chemicals and Allied Products

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
North American Cyanamid Limited Niagara Falls, Ont. *UE, ind.—WE* *No union—S*	572 WE 331 S 4-56	$.07 per hr., production workers; up to $.04 add'l., skilled craftsmen; $8 to $14 per mo., S	None	Result of contract expiration. Contract term—1 yr.—WE. Tandem adj.—S

Electrical Machinery, Equipment and Supplies

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Trane Company Limited Toronto, Ont. *UE, ind.*	285 WE Retroactive to 1-56 (signed 3-56)	$.03 per hr., add'l. $.04 per hr. 3-56, add'l. $.05 per hr. 1-58	(1) Min. emergency call-in 4 hrs. (2) 2½ wks.' vacation after 10 yrs. beginning 1958 (3) Pension plan beginning July, 1957	Result of contract expiration. Contract term—3 yrs.
Canadian General Electric Co., Limited Toronto, Peterborough and Guelph, Ont. *UE, ind.*	5,000 WE Retroactive to 12-55 (signed 4-56)	3% ($.075 per hr. av.); add'l. 3% in 1957 and 1958; add'l. 3.5% in 1959 and 1960. Also special increases for skilled tradesmen, day workers, and women	(1) Cost of living escalator clause (2) Improved life and health ins. benefits (3) Improved pensions at lower cost (4) Improved overtime provisions	Result of contract expiration. Contract term—5 yrs. Reopening at end of 3rd yr. for negotiations on employment security

(Continued on next page)

Wage Adjustments Announced Prior to June 15, 1956—Continued

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
			(5) Shift premiums increased to \$.09 and \$.11 per hr. from \$.07 and \$.09. Add'l. increases to \$.10 and \$.12, 12-58 (6) Liberalized hol. provisions (7) Jury duty pay (8) Funeral leave pay (9) Liberalized seniority rules	
achinery (except Electrical)				
Dominion Engineering Company, Ltd. Montreal, Que. *Machinists, CLC*	1,400 WE 3-56	\$.06 per hr.	(1) Shift premium increased to \$.08 from \$.07 (2) Funeral leave pay (3) 3 wks.' vacation after 15 yrs. instead of 20	Result of contract expiration. Contract term—2 yrs.
International Harvester of Canada, Ltd. Hamilton, Ont. *Steelworkers, CLC*	250 S Retroactive to 11-55 (signed 4-56)	\$2.20 per wk.	(1) Overtime pay at 1½ after 40-hr. week (2) Noncontributory hospital - surgical - medical plan for employees and dependents	Result of contract expiration. Contract term—1 yr.
Joy Manufacturing Co., Limited Galt, Ont. *Steelworkers, CLC*	200 WE 3-56	15%	Reduction of workweek to 40 hrs. from 42½, with loss of rest periods and wash-up time	Result of contract expiration. Contract expires 12-56
Smith-Corona Canada Limited Toronto, Ont. *UE, ind.*	104 WE 1-56	\$.05 per hr.; add'l. \$.045 per hr., 1957	Improved hospital, sick and accident plans	Result of contract expiration. Contract term—2 yrs.
ining				
Giant Yellowknife Gold Mines Limited Toronto, Ont. *Mine, Mill and Smelter Workers, ind.*	400 WE 4-56	\$.07 per hr.	(1) Upward reclassification of certain rates (2) Provision for rate increase based on price of gold	Result of contract expiration. Contract term—2 yrs.
McIntyre Porcupine Mines Limited Timmins, Ont. *Porcupine Mines Workers' Union, CLC*	1,120 WE 2-56	\$.0135 per hr.	(1) Increased company contribution to medical coverage (2) Workweek reduced to 44 hrs. from 48 hrs. at no loss in pay (3) Provision for wage review on change in price of gold	Result of contract expiration. Contract term—2 yrs.
aper and Allied Products				
Hinde & Dauch Paper Co. of Canada, Ltd. Toronto, Ont. *Chemical Workers, CLC*	285 WE 2-56	\$.055 per hr.	Funeral leave pay	Result of contract expiration. Contract term—1 yr.
imary and Fabricated Metal Products				
Calgary Iron & Eng., Ltd. Calgary, Alta. *Mine, Mill and Smelter Workers, ind.—WE* *No union—S*	70 WE *n.a.* S 3-56	\$.06 per hr. av.—WE \$10 per mo.—S	(1) 9th paid hol. (2) Liberalized vacation provisions	Result of contract expiration. Contract term—2 yrs.—WE. Tandem adj.—S
Dominion Wabana Ore, Limited Wabana, Newfoundland *Steelworkers, CLC*	2,200 WE 4-56	\$.035 to \$.045 per hr.	(1) Escalation pay provision based on average tonnage	Result of contract expiration

(Continued on next page)

Wage Adjustments Announced Prior to June 15, 1956—Continued

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
			(2) Improved overtime provisions (3) Prorated vacations up to 3 wks. for 17 yrs.' service or more (4) Improved welfare plan	
Electro-Metallurgical Company Div. of Union Carbide Canada Limited Welland, Ont. *UE, ind.*	1,160 WE 4-56	$.08 per hr.	None	Result of wage reopening
Royal Metal Mfg. Co. Ltd. Galt, Ont. *Steelworkers, CLC*	120 WE 2-56	7.05%	None	Result of contract expiration. Contract term—1 yr.
Rubber Products				
Dominion Rubber Company Limited, Tire Div. Kitchener, Ont. *Rubber Workers, CLC*	1,250 WE 2-56	$.09 per hr. av.	(1) 9th paid hol. (2) Provision for make-up time on loss through jury duty	Result of contract expiration. Contract term—1 yr.
Textile Mill Products				
Firestone Textiles, Limited Woodstock, Ont. *Textile Workers, CLC*	215 WE 3-56	$.05 per hr.	None	Result of contract expiration. Contract term—2 yrs.

*WE, wage earner; S, salaried personnel; *n.a.*, not available.
**Fringe benefits include all benefits received by workers at a cost to employers.

Moving Expenses

(Continued from page 239)

in detail, we will pay you an amount equal to one-and-one-half-months' basic salary, which will be subject to the usual tax withholding. It is intended that this will help you meet the miscellaneous expenses in connection with your move and any income-tax obligations that may arise in this connection. This payment will be made upon your occupancy of your new dwelling."

Another company had received approval both from stabilization authorities and the Internal Revenue Service to reimburse employees for certain miscellaneous expenses up to one month's salary at the time of the individual's move, but not in excess of $1,000. It was ruled that this would not be considered taxable income.

When the move was under way, however, and the first groups of employees were transferred, it was found that there were out-of-pocket items that were reasonably related to the move, but which might or might not be taxable. In a memorandum sent to the employees, the company explained:

"One of two choices was available: (1) a plan of reimbursement to employees extremely limited in scope, with the amount received by the employee free of income tax, or (2) a more liberal plan of reimbursement, with the amount received by the employee treated as taxable income for income-tax purposes. The decision has been made to adopt the second plan."

The company revised its original plan to include an additional payment equal to 25% of the amount formerly announced as the allowance for incidentals. The whole was subject to income tax. The cost of legal assistance in connection with the purchase or rental of a new home was included among the incidental expenses. In some companies, legal fees are paid by the company as a separate allowance, apart from incidentals.

In contrast to the transferred employee, it is not important in the case of newly hired workers to determine which miscellaneous moving expenses are directly connected with moving, since the Internal Revenue Service has ruled that *all* allowances and reimbursements for moving expenses received from a new employer must be included in the recipient's gross income, and are subject to income tax.[1]

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[1] Rev. Rul. 55-140, C. B. 1955-1, 317.

Geneva Seybold
Division of Personnel Administration

Studies in Personnel Policy

No. 153—Improving Staff and Line Relationships
No. 152—Employment of the College Graduate
No. 151—Tuition Aid Plans for Employees
No. 150—Handbook of Union Government, Structure and Procedures
No. 149—Pension Plans and Their Administration
No. 148—Retirement of Employees—Policies, Procedures and Practices
No. 147—Company Health Programs for Executives
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No. 145—Personnel Practices in Factory and Office
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No. 143—Fringe Benefit Packages
No. 142—Executive Development Courses in Universities
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No. 140—Management Development
No. 139—Company Organization Charts
No. 138—Bulletin Boards
No. 137—Escalators and the New BLS Index
No. 136—Employee Magazines and Newspapers
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No. 128—Computing the Cost of Fringe Benefits
No. 127—Union Security and Checkoff Provisions
No. 126—Controls for Absenteeism
No. 125—Information Racks—A New Communications Medium
No. 124—Developments in Supervisory Training
No. 123—Letters to Nonsupervisory Employees
No. 122—Evaluating Managerial Positions

In the July Business Record

Survey of Business Opinion—Executives representing 184 industrial companies generally view the business outlook as favorable. About half believe that production in the latter half of 1956 will exceed that in the latter half of 1955 and will be better than in the first half of 1956. This semiannual survey of business opinion appears both in summary form and by industry.

Business Highlights—Apart from the storm center of steel wage negotiations, the key to business conditions in the last half of 1956 seems to be the consumer. For a close look at the underlying trend in consumption, and its implications for later in the year, see "Consumers in the Fall."

Boards of Directors—In its current survey of company practice in regard to the size and composition of boards of directors, enforced retirement, and the method and amount of remuneration, compared with 1953, The Conference Board finds no marked change other than a moderate increase in compensation. A wide variety of practices, however, are still prevalent.

Differences in Cost of Living Series—The current upward trend in prices, retail as well as wholesale, has sharpened the interest of Associates and the public in the Board's consumer price index. An inevitable and recurring question is just what are the differences between the NICB series and the government's. The article answers this question in a frank and direct way.

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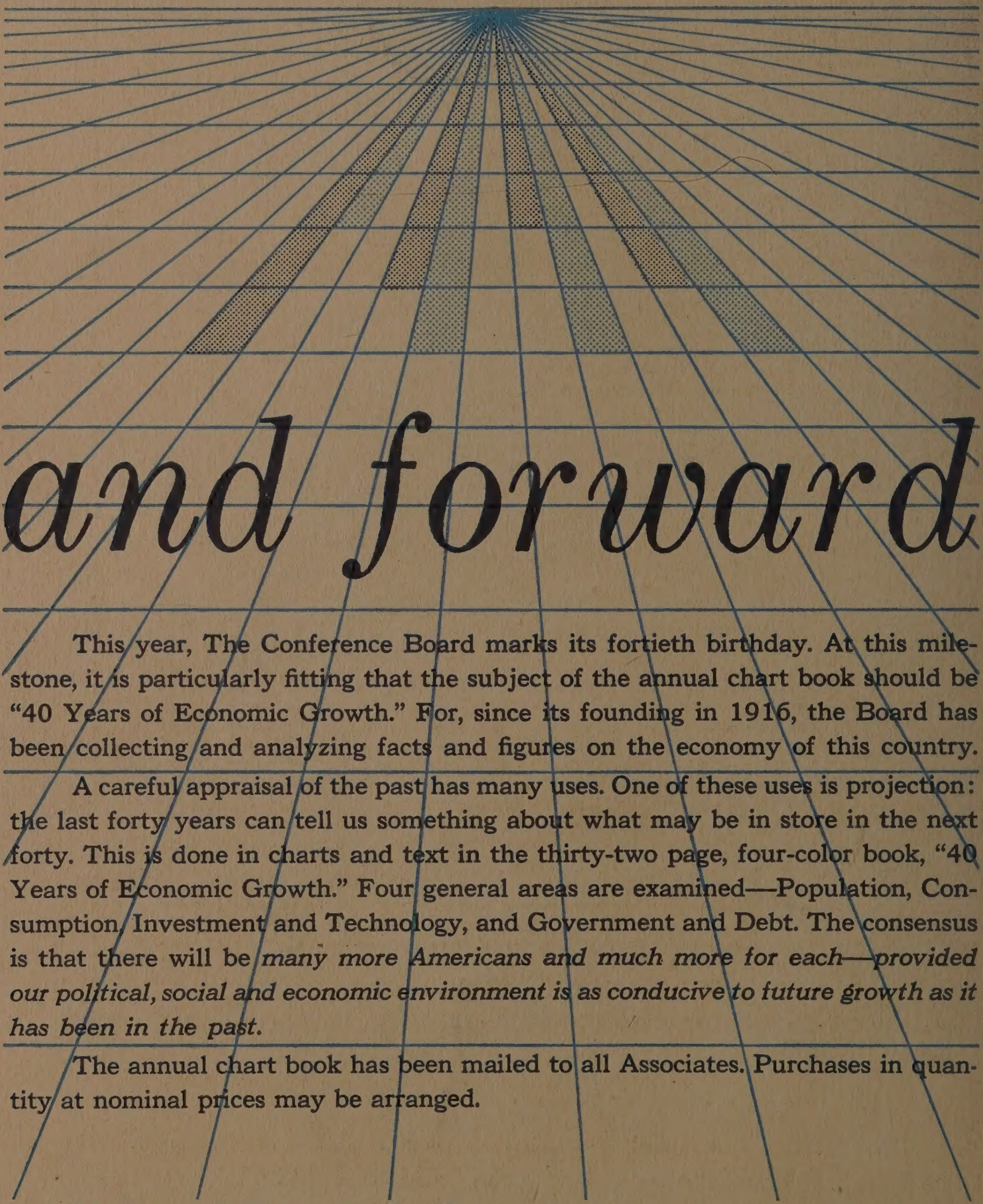
The long

look back



and forward

This year, The Conference Board marks its fortieth birthday. At this milestone, it is particularly fitting that the subject of the annual chart book should be "40 Years of Economic Growth." For, since its founding in 1916, the Board has been collecting and analyzing facts and figures on the economy of this country.

A careful appraisal of the past has many uses. One of these uses is projection: the last forty years can tell us something about what may be in store in the next forty. This is done in charts and text in the thirty-two page, four-color book, "40 Years of Economic Growth." Four general areas are examined—Population, Consumption, Investment and Technology, and Government and Debt. The consensus is that there will be *many more Americans and much more for each—provided our political, social and economic environment is as conducive to future growth as it has been in the past.*

The annual chart book has been mailed to all Associates. Purchases in quantity at nominal prices may be arranged.

40 Years of Economic Growth ANNUAL CHART BOOK